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This is the kind of position you put yourself in when you trade away your principles for a mess of pottage. The only redeeming feature of this episode may be that Mr. Dole's embarrassment is likely to be even greater than the White House's. If the president had stood firm against the jobs bill, he would still be occupying the high ground. Economic recovery is under way and another federal spending boondoggle is the last thing we need.

The current jobs bill, like those before it, is little more than old-fashioned pork barrel. The \$5.2 billion of speeded-up spending was originally targeted on nine states with the highest unemployment; after a few oinks, it was expanded to 27 states. Some of the more egregious efforts to get more pork for the folks back home were turned back. But much of the spending in the bill still has little to do with creating jobs; most would go for construction and services on existing projects that require skilled labor.

Moreover, the bulk of the spending will come after the recession is over. A study of the House version of the bill by the Congressional Budget Office, which normally sympathizes with and finds ways to rationalize federal spending schemes, shows that only about \$1.5 billion of the \$5.2 billion would be spent in 1983. Some \$2.3 billion would be spent in 1984, when both Democratic and Republican economists expect a boom in the economy, and the rest in future years.

And despite Sen. Dole's demagoguery about the banks, the movement to repeal the withholding tax on dividends and interest reflects popular anger, not just slick lobbying. Anybody who has been receiving those irritating forms in the mail lately—and who hasn't since nearly everybody receives some interest or dividend income—will instantly understand why Mr. Dole & Co. have been deluged with letters of outrage. And to the extent the banks helped mobilize this sentiment, it was mostly the little banks; the big banks, which have lots of computer capacity, are perfectly content with a measure that increases costs for their competition.

The plain fact is that Congress is trying to shift the cost of collecting taxes on interest and dividend income from the public to the private sector, and at the same time grab off for the government some extra revenue. Banks and companies already report to the IRS dividends and interest they pay. But the IRS computers can't seem to track all those little pieces of paper, so the agency wants the banks and companies to do the job for it. In the process, the spenders in Congress would get a nice little chunk of change by having free use of the money for a year.

With yesterday's defeat of the Dole motion to deep-six the Kasten amendment, the impasse on the jobs bill continues. If a combined jobs/withholding repeal measure eventually emerges from Congress, the president has threatened to veto it. He should. But then he should proclaim that the need for a jobs bill, if it ever existed, is past and that public reaction to the withholding act justifies a fair vote on the repeal measure. And the next time he needs some good political advice, he should invite Mr. Kasten in for a friendly chat instead of a public scolding.

Mr. BAKER. Mr. President, I was seeking recognition for the purpose of reserving the right to object.

Mr. President, I walked through the door when I heard the Senator say "and also, I ask unanimous consent." I have no objection to the unanimous-consent request to enter the editorial,

but I am worrying about the "also." What was the other part of the unanimous-consent request?

Mr. KASTEN. That was the only part.

Mr. BAKER. Was that the only part? Then I have no objection.

Mr. DOLE. I object to the editorial but I do not mind his putting it in the Record.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

SOCIAL SECURITY ACT AMENDMENTS OF 1983

The PRESIDING OFFICER. Under the previous order, the time of 9:30 a.m. having arrived, the Senator will now resume consideration of H.R. 1900, the Social Security Act Amendments of 1983, which the clerk will state by title.

The legislative clerk read as follows:

A bill (H.R. 1900) to assure the solvency of the Social Security Trust Funds, to reform the medicare reimbursement of hospitals, to extend the Federal supplemental compensation program, and for other purposes.

The Senate resumed consideration of the bill.

Mr. DOLE. Mr. President, I think we can do a lot of good here on the social security package in the next few hours. We have contacted a number of Members who have amendments that we believe can be accepted, the first of which is one to be offered by the distinguished Senator from Texas, Senator BENTSEN.

The PRESIDING OFFICER. The pending question is on the Symms amendment.

Mr. DOLE. Mr. President, I ask unanimous consent that that amendment be temporarily laid aside.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

UP AMENDMENT NO. 73

(Purpose: To require exceptions and adjustments in the prospective reimbursement system for large regional and national referral centers)

Mr. BENTSEN. Mr. President, I have an unprinted amendment I would like to send to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows: The Senator from Texas (Mr. BENTSEN), for himself and Mr. Dole proposes an unprinted amendment numbered 73.

Mr. BENTSEN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 195, line 21, strike out "of public" and insert "of regional and national referral centers, and of public".

Mr. BENTSEN. Mr. President, we are considering today historic legislation that will have far-reaching effects on the delivery of medical services in our Nation. This legislation, establishing a new prospective system for reimbursing hospitals under the medicare program, has sprung from the Congress concern over rising costs of health care and the need to take positive action to hold down future cost increases. What, in effect, you are going to see is a rationing of health care by its very economics. However, we must be equally concerned, as we move into the use of prospective reimbursement, that this system does not impair our ability as a nation to continue on the leading edge of technological innovation and advance in clinical medicine, some of the things that lead to the United States being out on the technological frontier for the delivery of health care services, nor impair our ability to provide the most critically ill patients suffering multiple complications a commensurate level of care.

In order to preserve and foster these great assets of our health care system, I am offering an amendment to authorize the Secretary to take account, as appropriate, of the special circumstances of facilities furnishing extraordinary medical and surgical care to the sickest and most resource intensive patient populations.

We have a number of hospitals that are national and regional referral centers where we can send patients who require an intensity of resources beyond the capabilities of general community hospitals. One example of such an institution in my State of Texas is the Methodist Hospital. This hospital is nationally recognized as one of the leading hospitals in sophisticated technological advances—pioneering in the treatment of cardiovascular diseases. As a result, Methodist Hospital became the primary teaching institution for many physicians who were later to become well-known and widely respected cardiovascular surgeons.

The Methodist Hospital is one example of such highly specialized facilities. There are others within the Texas Medical Center in Houston, St. Luke's Episcopal Hospital, Hermann Hospital, and the University of Texas Health Science Center. Such advanced institutions have made the Texas Medical Center a mecca of health care, annually attracting patients from all 50 States and from more than 80 foreign countries. Other States also possess institutions with similar characteristics—characteristics which make them regional and national assets.

These large, technologically sophisticated hospitals which serve as regional and national referral centers are characterized by high case mix indices, diverse geographical patient origin, and numerous multidisciplinary medical education programs. Leaders

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as well in basic and clinical research, these institutions have furnished and must continue to furnish technological leadership in medicine. These hospitals incur costs above those of ordinary hospitals. These additional costs are attributable not merely to the costs of education, but as well to the technological innovation, specialized training, and specialty treatment capacities of these institutions.

These regional and national referral centers are leaders in providing quality health care and are an invaluable national resource. They are in the vanguard of developments in clinical practice, medical technology, and basic and applied research. They have a unique capacity to offer diverse, highly specialized training in all areas of medical and allied health care.

They serve the sickest people in their community, together with a broad international, national, and regional group of referred patients for whom these centers are the place of last resort. To the extent these centers are no longer able to serve the same number of referred patients, other local and regional hospitals will be forced to bear the burden of caring for this critically ill portion of the patient population.

I am delighted and pleased that the distinguished chairman of the committee has chosen to cosponsor this, and I want to say how appreciative I am of the cooperation and help that he has given and for the help of the staff in working to insure the achievement of the objective we seek.

Mr. DOLE. Mr. President, I know there is no objection to the amendment. I wonder if we might—my staff has not yet arrived—have a brief quorum call. I think Miss Burke is on the way.

I have a statement to put in the RECORD. I do not wish to detain the Senator from Texas. The amendment will be accepted, but I wonder if we might wait a minute or two?

Mr. BENTSEN. I have also discussed this with the ranking Democratic member, Senator LONG, who has been most helpful and who shares the same concerns. I urge the Senate to adopt the committee amendment regarding national and regional referral centers to insure that the Secretary will consider any deleterious effects on these centers of the new prospective reimbursement system and to insure that appropriate adjustments in payment rates to such hospitals will be made.

Mr. DOLE. Mr. President, the amendment offered by the Senator from Texas addresses one of the problems I mentioned in my opening statement which quite naturally occurs when a new system of reimbursement is devised—problems which need attention if the system is to be as equitable as possible.

Regional and national referral centers may be quite different from other hospitals. Certainly we know that such centers are magnets—attracting diffi-

cult cases that, for one reason or another, cannot be handled elsewhere. We do not have the data, nor can we perform at this time the analysis needed, to verify that such centers require \$10, \$100, or \$1,000 more per case than other hospitals. We do know, however, that some analysis is necessary and if the results so indicate, adjustments must be made for the special needs of these hospitals.

Our intention is to continue to support the enormously important work done by institutions like the Methodist Hospital in Texas. These institutions have a unique capacity to offer diverse, highly specialized care and education in all areas of health care.

The amendment offered by the distinguished Senator from Texas, (Mr. BENTSEN) directs the Secretary to examine the experience of these hospitals carefully and to make the necessary adjustments to their reimbursement to account for their special circumstances.

As I have indicated before, the Senator from Kansas supports this amendment. I know the Senator from Louisiana (Mr. LONG) is a cosponsor, and he raised the question in the committee during the committee deliberations.

There is no problem with the amendment except I think Senator COCHRAN wanted to offer a slight amendment to the Senator's amendment, to which I do not think you have any objection, which relates to Mississippi, and he is on his way to the floor.

I suggest the absence of a quorum.

Mr. BENTSEN. Mr. President, if the Senator will withhold, I suggest that Senator LONG, from Louisiana, be listed as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The acting assistant legislative clerk proceeded to call the roll.

Mr. COCHRAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 74

Mr. COCHRAN. Mr. President, I send to the desk an amendment to the Bentsen amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Mississippi (Mr. COCHRAN) for himself, Mr. STENNIS and Mr. SPECTER, proposes an unprinted amendment numbered 74 to the Bentsen amendment numbered 73.

After "referral centers" insert "(including those hospitals of 500 or more beds located in rural areas)".

Mr. COCHRAN. Mr. President, I am offering this amendment on behalf of myself, Senator STENNIS, and Senator SPECTER. The purpose of the amend-

ment is to attempt to address a special problem with the provisions of the bill for payment to hospitals for direct costs under medicare.

The bill provides a basic distinction between urban and rural hospitals, with the assumption that the cost incurred by urban hospitals is about 30 percent higher than cost of a rural hospital reflecting the more sophisticated equipment, procedures, and personnel that are necessary to deal with the more complex medical problems that are encountered in the larger urban areas.

This is true in some cases—maybe in many cases—but there are some special exceptions to that generalization. There is, for example, in my State of Mississippi a 650-bed hospital located in Tupelo, Miss. It is the North Mississippi Medical Center. For all purposes, other than the fact that it is located in an area that is not defined as an SMSA, it is a big hospital, the largest in our State. But because of this arbitrary distinction—maybe it is not arbitrary in all cases—but because of this distinction that is in the bill, it would be eligible for reimbursement at a rate of some 30 percent less than the hospitals in Jackson, Miss., for instance, which are located in the standard metropolitan statistical area.

We had hoped to be able to get the committee to go along with a simple amendment that would treat these large rural area hospitals, with 500 beds or more in their facility, as if they were urban hospitals. I still think that is the simplest way to do it—but because of objections from the Department and the committee, we are offering an alternative.

This will provide for the Secretary to permit payment to these large rural hospitals at the same rate as the urban hospitals if it is found that the cost they incur in delivery of health care justified that level of payment. I am hoping that that will be the decision of the Secretary.

The amendment specifically directs the Secretary of HHS to analyze the circumstances for those rural hospitals with over 500 beds—and there are only four hospitals like this that I know about in the United States—and to make adjustments so that those hospitals can be paid at the rate which reflects their actual cost, even though they would otherwise be in the rural category.

In addition to providing the Secretary with the authority to order payment as if these large rural hospitals were in an urban area, it also permits the Secretary to determine those medical functions where there are higher costs incurred by these large rural hospitals different from the costs for similar medical functions incurred by smaller hospitals in the same areas, and directs her to make reimbursements accordingly, to calculate reimbursement levels that would

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be fair to the large hospitals based on their higher costs.

I am hoping that this amendment is going to meet the problem, it will, if the Secretary acts promptly and develops a set of rules that will reflect fair treatment for these very large hospitals in rural areas.

In talking with the chairman of the committee and others, I understand that it is the intention of the managers of the bill to accept this suggested change in the language of the legislation, and I appreciate that very much. The distinguished chairman of the committee and Senator BENTSEN have been very courteous and helpful in developing this language to meet this problem which exists in my State and three others. I understand there is a situation in Texas, as well, where they are dealing with a large rural center.

I appreciate the opportunity to offer this amendment at this point on behalf of myself and the other Senators mentioned.

Mr. DOLE. Mr. President, I thank the Senator from Mississippi. His amendment provides an opportunity for adjustments in the case of another small, but important, group of hospitals which could have been all too easily overlooked during the implementation of this new system. We intended to devise this new hospital reimbursement system so as to be responsive to as many concerns as possible.

In the case of the five institutions Senator COCHRAN is concerned with, each is quite large and located in a rural area. They are concerned that their services and their costs more closely approximate those of a large urban hospital.

Certainly the rural-urban split in the prospective rates may not be appropriate in the case of very large acute care hospitals located in rural areas. But rather than pose a simplistic answer to the problem at this time, this Senator feels strongly that we ought to direct the Secretary to make an adjustment that makes sense given the particular circumstances.

This kind of situation is a matter best addressed from an analytical standpoint. It is in our own best interest to see that the Secretary, as in the case of the referral centers, takes a close look at the details and is then required to make appropriate adjustments.

I thank the Senator for his amendment and for his concern.

Mr. BAUCUS. Mr. President, I commend the committee for its amendment regarding hospitals that serve as national and regional referral centers. While the driving force behind the prospective payment system has been the need to restrain cost increases in health care, the committee has shown that it is also mindful of the need to sustain research and development in clinical medicine at the Nation's great medical centers. Such institutions have special capabilities, not ordinarily

found in community hospitals, that require technological sophistication and innovation; multidisciplinary and highly specialized training programs; and the capacity, experience, and support systems necessary to care for the sickest, most resource-intensive, patient populations. The cost of care in such hospitals may far exceed the rates at which the hospital would otherwise be reimbursed under the prospective payment system. The committee amendment will insure that, as the Secretary implements this new reimbursement system, he makes appropriate adjustments to payment rates to insure that the ability of our regional and national referral centers to provide the highest quality of care for the sickest of our people is not impaired, and that our commitment as a nation to remain in the forefront of advance in clinical medicine is not diminished.

Mr. STENNIS. Mr. President, earlier this morning I was away from the floor when the Senate considered the Cochran amendment to the Bentsen amendment concerning medicare reimbursement. I was delighted to join my colleague from Mississippi in cosponsoring the amendment.

The North Mississippi Medical Center in Tupelo, Miss., is the largest hospital in my State, with 650 beds. It is a major referral hospital serving a number of surrounding counties in northeast Mississippi. It provides highly sophisticated services which are not available anywhere else within the region and are typically available only at urban hospitals. To provide these services, the hospital must employ specially skilled, technical personnel whose alternative employment opportunities are in urban areas. In short, Mr. President, its costs are greater than those of a normal urban hospital.

The committee bill, in basing reimbursement rates upon whether a hospital is rural or urban, fails to recognize the particular situation of these large, acute care facilities that are located in rural areas but which offer services and incur costs similar to urban hospitals.

The amendments offered by the Senator from Mississippi and the Senator from Texas would authorize the Secretary to make adjustments in the reimbursement rates for those large referral hospitals located in rural States in order to put them on an equitable basis with similar urban hospitals. These amendments are necessary to recognize the unique problems of a very limited number of hospitals. I am pleased that the Senate has accepted these important amendments, and I will continue to work for them until we get them enacted into law.

Mr. BENTSEN. Mr. President, I think the amendment offered by the Senator from Mississippi is a good amendment, a meritorious one. After looking at it and discussing it with the Senator, the chairman of the committee, the Senator from Kansas and I

are pleased to support it, and as the ranking minority member present from the Finance Committee, I urge its immediate consideration and adoption.

Mr. COCHRAN. Mr. President, I thank the distinguished Senator from Texas very much. I appreciate his cooperation and assistance in this matter.

Mr. BENTSEN. I know of no objection to the amendment, Mr. President.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (UP No. 74) was agreed to.

Mr. BENTSEN. Mr. President, I move adoption of the Bentsen amendment, as amended.

The PRESIDING OFFICER. The question is on agreeing to the Bentsen amendment, as amended.

The amendment (UP No. 73, as amended) was agreed to.

Mr. BENTSEN. Mr. President, I move to reconsider the vote by which the amendment, as amended, was agreed to.

Mr. COCHRAN. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The question now recurs on the Symms amendment.

Mr. RIEGLE. Mr. President, my intention is to make a brief set of comments about the social security package. Would that be appropriate at this time?

Mr. BENTSEN. I know of no one else seeking time, Mr. President.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. RIEGLE. Mr. President, I want to share with my colleagues my thoughts on this legislation we are considering today designed to secure the financial integrity of the social security system. Clearly, the bill we have before us on the floor is the product of the work and thoughts of many individuals. These individuals have struggled through many difficult choices in their attempt to arrive at a workable solution to the financial shortfall facing the social security system.

While I and others have reservations about certain aspects of the package, I think the Commission deserves praise for their hard work and their perseverance. In particular today I want to commend Senator DOLE, who, as a member of the National Commission and chairman of the Senate Finance Committee, has demonstrated important leadership and sensitivity on this vital matter.

The recommendations of the National Commission and the compromises worked out in the Senate Finance Committee are a remarkable achievement, given the complexity of the problem.

In addition to Senator DOLE, I want to praise the efforts of the senior Sen-

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ator from New York, Senator MOYNIHAN, for his invaluable contribution in the development of this package. The work of these two colleagues particularly has been, in my view, an important national service.

The problems which the social security system faces in the next few years are overwhelmingly a product of the state of our economy. Several years of high, unprecedented inflation has resulted in a higher level of benefits than anyone had anticipated. At the same time, because of excessive levels of unemployment, a lower number of workers have been contributing into the system which resulted in lower than expected levels of revenue. So getting our national economy back on track and moving forward with real economic growth, with people back at work, is the most fundamental way to solve the problems of social security.

With regard to the package before us today, I am especially pleased that several provisions contained in the legislation are ones which I first introduced in September 1981 and again introduced in February of this year. These proposals are an integral part of the legislation that the Senate is now considering.

The critical elements are common to both my proposals and the plan we are now considering, and address the issues of complete interfund borrowing, recrediting the trust funds with unnegotiated checks, and establishing public participation on the board of trustees.

The fourth remaining component of my legislation which was included in the National Commission's recommendations but which is absent from the bill reported from the Senate Finance Committee, would remove social security from the Unified Federal budget. This would have the effect of removing social security from the political forces which are part of the congressional budget process.

As debate on the social security amendments unfolds, Senator HIRSH and I will address this situation by offering an amendment following the House-passed bill, which would remove social security from the unified Federal budget starting in fiscal 1988.

While I and many of my colleagues have strong reservations about some of the provisions of the pending bill, I am hopeful that we can join together to hammer out an acceptable compromise through the amendment process. I did, however, at the outset, want to take this opportunity to congratulate the participants who have been so instrumental in the development of this package and bringing it to the floor at this time.

Mr. President, I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. HUMPHREY). The clerk will call the roll.

The acting assistant legislative clerk proceeded to call the roll.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. SYMMS). Without objection, it is so ordered.

The Senator from New Hampshire is now recognized.

UP AMENDMENT NO. 75

(Purpose: To prohibit payment of benefits to inmates of facilities for the criminally insane)

Mr. HUMPHREY. Mr. President, in 1981, the Congress, with excellent justification, cut off social security benefits—

The PRESIDING OFFICER. Will the Senator suspend?

May we have order in the Chamber so the Senator can be heard and the Chair can hear the Senator? Those Senators conferring in the Chamber will please retire to the back of the Chamber so the Senator from New Hampshire can be heard.

Mr. HUMPHREY. I thank the Chair.

Mr. President, in 1981, the Congress, with excellent justification, suspended social security benefits to persons convicted of crimes; that is, to criminals. In the current social security reform package pending, the Congress proposes to tighten up further on that procedure to deny all benefits, not just disability benefits, but all benefits which are now being extended to convicted criminals.

Some months ago, during one of my frequent visits to the State which I have the honor of representing, one of my constituents came to me and complained that he knew of a number of instances where persons committed to the State hospital for having committed crimes but adjudged not guilty by reason of insanity were receiving social security benefits and using them to improve their standard of living, shall we say, to buy TV sets for their rooms and other unessential material possessions or were simply accumulating a savings account.

Mr. President, were it not for the finding that these people were adjudged insane, they would not be in hospitals but in penal institutions. So the category of not guilty by reason of insanity does not imply in any way that these people are innocent. Except for their mental condition they would have been found guilty and prosecuted under the law. But because of their mental deficiency, or whatever, they are categorized as not guilty by reason of insanity and placed in medical facilities instead of penal institutions.

The point I am trying to make is that this category of person is no more entitled to social security benefits accruing to his person than is someone adjudged a criminal and placed in a penal institution.

Therefore, Mr. President, I am offering this amendment which I now send to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. Is there objection to setting aside the pending amendment? Hearing none, the pending amendment is set aside.

The clerk will report the Humphrey amendment.

The assistant legislative clerk read as follows:

The Senator from New Hampshire (Mr. HUMPHREY) proposes an unprinted amendment numbered 75.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 106, line 4, before the period insert the following: "or would be so confined but for his confinement in a psychiatric or other medical facility, or for any month during which such individual is confined in a facility for the criminally insane, or any other psychiatric facility, by reason of his having been found not guilty of a crime (which would have constituted a felony under applicable law) by reason of insanity."

On page 106, line 21, after "applicable law," insert the following: "or would be so confined but for his confinement in a psychiatric or other medical facility or who is confined to a facility for the criminally insane or other psychiatric facility under the jurisdiction of such agency by reason of his having been found not guilty of a crime (which would have constituted a felony under applicable law) by reason of insanity."

Mr. HUMPHREY. The effect of the amendment is to cut off social security benefits to those adjudged not guilty by reason of insanity. This in no way affects benefits for which such persons' families might be eligible. This stricture applies to the person himself found not guilty by reason of insanity, just as the stricture enacted by Congress in 1981 applying to criminals applies only to that person found guilty and not to any benefits to which his family might be entitled.

The manager on the majority side has agreed to this amendment, I understand. I believe it has been cleared by the minority. I yield at this time. Perhaps the manager cares to comment on the amendment.

Mr. ARMSTRONG. Mr. President, I do not think this amendment requires much discussion because I believe that the case which has been set forth for its adoption by the Senator from New Hampshire is completely clear and entirely persuasive.

I just want to congratulate him for closing the loop here and for perceiving an area which had not been adequately treated by the bill as it came from the Finance Committee. It is, of course, typical of the scholarship and participation which he brings to this matter that he would propound such an amendment. We appreciate his doing so, and I hope all Senators will vote for this amendment.

Mr. HUMPHREY. I thank my colleague from Colorado.

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If we could have the attention of the distinguished ranking member of the Appropriations Committee, I believe we are prepared to dispose of this amendment, but I want to give an opportunity to the minority to comment.

The PRESIDING OFFICER. If there is no further debate, the question is on agreeing to the amendment of the Senator from New Hampshire (Mr. HUMPHREY).

The amendment (UP No. 75) was agreed to.

Mr. HUMPHREY. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. ARMSTRONG. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

MOTION TABLED TO RECONSIDER UP AMENDMENT
NO. 70

Mr. HUMPHREY. Mr. President, I also move to reconsider the vote by which the Humphrey amendment was agreed to yesterday. This is the one dealing with requiring the Treasury to print on social security checks a legend indicating that fraudulent cashing of a check is a Federal felony.

Mr. ARMSTRONG. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ARMSTRONG. The question is on the bill.

Mr. HUMPHREY. Mr. President, I believe we have another noncontroversial amendment that has been cleared by both sides.

I spoke too soon, Mr. President, I yield the floor.

Mr. LONG. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 76

Purpose: To require establishment of a program for obtaining death certificates to prevent erroneous benefit payments to deceased individuals

Mr. HUMPHREY. Mr. President, yesterday the Senate accepted an amendment which I offered and to which I alluded a moment ago, namely, that which requires the Treasury to print a legend on each social security check and the envelope in which it was mailed indicating it is a Federal felony to fraudulently cash or attempt to cash a check issued to a deceased person and indicating that that is a crime punishable by a maximum penalty of 5 years in prison or a \$5,000 fine.

The amendment agreed to yesterday addresses the problem of the millions of dollars being lost every year in benefits being paid to deceased persons and whose demise has not been brought to the attention of the Social Security Administration.

As I said yesterday, this approach, the printing of the legend on the check is not a perfect and full remedy for the situation.

Therefore, I propose another amendment which I send to the desk.

The PRESIDING OFFICER. Is the Senator asking unanimous consent to set aside the pending business?

Mr. HUMPHREY. I ask unanimous consent that the pending business be set aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will report the Humphrey amendment.

The assistant legislative clerk read as follows:

The Senator from New Hampshire (Mr. HUMPHREY) proposes an unprinted amendment numbered 76.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of Title I add the following new section:

USE OF DEATH CERTIFICATES TO PREVENT ERRONEOUS BENEFIT PAYMENTS TO DECEASED INDIVIDUALS

SEC. 153. Section 205 of the Social Security Act is amended by adding at the end thereof the following new subsection: "Use of Death Certificates to Correct Program Information"

"(r)(1) The Secretary shall undertake to establish a program under which—

"(A) States (or political subdivisions thereof) voluntarily contract with the Secretary to furnish the Secretary periodically with information (in a form established by the Secretary in consultation with the States) concerning individuals with respect to whom death certificates (or equivalent documents maintained by the States or subdivisions) have been officially filed with them;

"(B) There will be (1) a comparison of such information on such individuals with information on such individuals in the records being used in the administration of this Act, (2) validation of the results of such comparisons, and (3) correction in such records to accurately reflect the status of such individuals."

"(2) Each State (or political subdivision thereof) which furnishes the Secretary with information on records of deaths in the State or subdivision under this subsection may be paid by the Secretary from amounts available for administration of this Act the reasonable costs (established by the Secretary in consultations with the States) for transcribing and transmitting such information to the Secretary.

"(3) In the case of individuals with respect to whom federally funded benefits are provided by (or through) a Federal or State agency other than under this Act, the Secretary shall to the extent feasible provide such information through a cooperative arrangement with such agency, for ensuring proper payment of those benefits with respect to such individuals if—

"(A) under such arrangement the agency provides reimbursement to the Secretary for the reasonable cost of carrying out such arrangement, and

"(B) such arrangement does not conflict with the duties of the Secretary under paragraph (1).

"(4) The Secretary may enter into similar agreements with States to provide information for their use in programs wholly funded by the States if the requirements of (r)(3)(A) and (r)(3)(B) are met."

"(5) The Secretary may use or provide for the use of such records as may be corrected under this section, subject to such safeguards as the Secretary determines are necessary or appropriate to protect the information from unauthorized use or disclosure, for statistical and research activities conducted by Federal and State agencies.

"(6) Information furnished to the Secretary under this subsection may not be used for any purpose other than the purpose described in this subsection and is exempt from disclosure under section 552 of title 5, United States Code, and from the requirements of section 552a of such title."

"(r)(7) The Secretary shall include information on the status of the program established under this section and impediments to the effective implementation of the program in the 1984 report required under Section 704 of the act.

Mr. HUMPHREY. Mr. President, under Public Law 97-123, the Social Security Administration was required to conduct a pilot program under which it arranged with the States to obtain from them vital statistics; namely, death notices. The point, of course, was to devise a means of eliminating the waste and the fraud that occurs when checks are made out to deceased persons and are negotiated in one way or another; that is, cashed.

The pilot program required under 97-123 was highly successful, but because it was only a pilot program it has now concluded and there is no mechanism currently in place to insure its continuation.

Mr. President, in the House version of the bill before us, there is a provision authored by Representative GRADISON which would extend or begin a new program requiring the Social Security Administration to contract with the various States on a voluntary basis for obtaining vital statistics such that it can learn of the demise of beneficiaries in situations where it now does not learn of that event.

The amendment before us which I have just offered is very nearly identical to that which is already contained in the House version. However, there are a number of minor changes—in my view improvements—and likewise in the view of Congressman GRADISON, which have been made in this amendment, all of which are consistent with recommendations made by the General Accounting Office and the Social Security Administration on this score; namely, the obtaining of vital statistics from the States.

Mr. President, both the majority and minority sides have examined this amendment and are willing to incorporate it into the bill.

I yield the floor at this time in case the managers on either side desire to comment at this point.

Mr. ARMSTRONG. Mr. President, having conferred with the distinguished minority manager of the bill, the Senator from Louisiana, we are

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prepared to accept this amendment. We think it is a constructive change and, in fact, addresses itself to a problem which, in the long run, could cost substantial amounts of money for the social security fund. We think this is a very useful approach and we are grateful to the Senator from New Hampshire for raising the issue. We urge an aye vote on the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (UP No. 78) was agreed to.

Mr. HUMPHREY. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. ARMSTRONG. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The question recurs on the Symms amendment.

Mr. ARMSTRONG. Mr. President, I ask unanimous consent that the Symms amendment be set aside and that I may be permitted to offer an amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 71

(Purpose to permit employers with less than \$5,000 in monthly withholding to deposit taxes 15 days after the calendar month in which taxes are collected)

Mr. ARMSTRONG. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Colorado (Mr. ARMSTRONG), for himself and Mr. BAUCUS, proposes an unprinted amendment numbered 77.

Mr. ARMSTRONG. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place in the bill, add the following:

"SEC. () SIMPLIFIED PAYROLL PROCEDURES

(a) GENERAL RULE.—Effective for months beginning after December 31, 1983, in applying section 31.6307(c)-1(a)(1)(b) of the Internal Revenue Regulations—

(1) "\$5,000" shall be substituted for "\$3,000 in each section with respect to the first deposit required to be made during any calendar month."

Mr. ARMSTRONG. Mr. President, the amendment addresses itself to a relatively simple matter but one which is of great interest to a number of small business concerns throughout the country. As Senators know, employer tax withholding deposit requirements are determined by the Internal Revenue Service in accordance with a series of thresholds that allow employers with \$500 or less in monthly withholding of social security and income taxes the opportunity to de-

posit once a month or once a quarter. For these employers who have withholdings in the amount of \$500 but not to exceed \$3,000, they deposit 15 days after the calendar month in which taxes are collected. These employers who have more than \$3,000 a month in withholding deposit within 3 days after the liability incurs. Now, that could be up to eight times a month.

The purpose of the amendment which I have offered on behalf of myself and the Senator from Montana (Mr. BAUCUS) is simply to raise that threshold from 3,000 to 5,000. In other words, it would permit employers with less than 5,000 in monthly withholding to deposit taxes 15 days after the calendar month in which the taxes are collected. This amendment simply provides a degree of relief to small business in a matter that is of serious administrative concern to them. Now, we are talking about really very small companies. We are not talking about even medium size and certainly not in any even large companies, but we are talking about, first, the cash management problem which small businesses have and, second, the administrative problem, because while it may be possible, at least barely possible, for a large company that has substantial data processing resources to cope with the demands of depositing several times a month, it is very, very difficult for a small company, for a gas station or a small retailer or a dry cleaner or a service business to do that. And so this provision—

The PRESIDING OFFICER. Will the Senator suspend? May we have order?

Mr. ARMSTRONG. This merely provides a degree of relief from that problem.

So with that word of explanation and while awaiting the arrival on the floor of our colleague from Montana, who I believe may wish to say a word on this, I will ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. ARMSTRONG. Mr. President, while awaiting the arrival of other Senators who may wish to speak on this matter, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BAUCUS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAUCUS. Mr. President, I join the Senator from Colorado in offering his amendment, and I thank the Senator for the work he has undertaken in crafting this amendment.

The Senator, as we all know, has spent many hours, many weeks, many

months—so far as we know, even years—on the general question of social security, and working on the Commission. He has labored very diligently and industriously, and I think he has as much knowledge as anyone else of the intricacies and the problems facing our social security system. He certainly knows the problems that face small business.

This is a simple amendment. It is very brief; it is equitable. It is designed to help small business, very simply, by providing that any businessman who holds less than \$5,000 in FICA payments need only deposit those payments on a monthly basis, 15 days after the end of each month.

The problem at this time is that businesses that hold \$3,000 or more have to deposit up to eight times a month. That is the same provision that applies to businesses of all sizes. This amendment would enable small businesses, those with about 15 to 20 employees, to deposit withheld payroll taxes once a month, 15 days after the end of each month.

This amendment would not cost very much. It is less than \$1 billion for the decade. That might sound like a lot of money, but we all know that in dealing with the social security system, it is minimal.

This amendment is endorsed by many organizations—the National Federation of Independent Business, the Chamber of Commerce, the National Association of Wholesalers and Distributors, and others. Obviously, it is one that is needed for our economy as we work ourselves out of the recession, on the road to recovery. Working capital will be increased for capital-starved small businesses, and the administrative savings from paying monthly will also be significant.

I have one final point which is often made but is one that I think we should keep in mind: Most innovation in America comes from small business. We might think that any innovation, new ideas, or increases in productivity come from big business. That is not the case. Studies show that, by far, most innovation, most new ideas, most increases in productivity come from small businesses. In the main, that is because smaller businesses enable the entrepreneur to develop new ideas; whereas, in larger business, often the size of the business and the bureaucracy tend to stifle new ideas, and increases in productivity.

Mr. President, I do not want to belabor the point. This is a simple and fair amendment. It gives a bit of relief to America's small businesses.

Mr. President, a final point: I think that, by and large, the recommendations of the National Commission on Social Security are on the right track. Each of us might have minor adjustments we would make; but I think, by and large, it is pretty much on the right track, because there is no better alternative.

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The problem, though, is that when you look at the whole realm of the burden business has to bear in contributing to the package of the National Commission, it is clear that big business can withstand some of the burdens a little easier than can small business. Big business tends to be in a little better position to pass on those cost increases in terms of higher prices. That is somewhat less true in the case of small business. Small business tends to be locked in a little more.

It is for that reason that the Senator from Colorado and I think small business deserves a little break to even out the burden, to even out the equities. This is truly more fair, so the package will be truly more balanced.

For those reasons, I hope our colleagues will support the amendment, and I urge its quick adoption.

Mr. ARMSTRONG. Mr. President, if the Senator will yield, I congratulate him on his statement. He has presented the amendment with great clarity, but also he has made a point that we need to emphasize every day of the year, and that is that the economic future of this country depends on small business. That is not to denigrate the enormous contribution large concerns make to our economy in the employment they provide. But, in reality, it is not the big companies that are the creative, energizing force of new ideas and new employment opportunities. It is the small companies, the companies which do not have elaborate administrative superstructures, which do not have the ability to cope with making deposits of withholding tax several times a month.

The Senator from Montana and I are talking about very small firms. We are not talking about even medium-sized companies when we say that their withholding might be \$4,000 or \$5,000 a month. This is perhaps a firm that has a dozen or 15 or, at most, 20 employees. So we are not talking about large companies.

I appreciate the Senator from Montana particularly making that point, because I would not want there to be any confusion. This is simply a practical problem that we are addressing, and I thank him for his participation and leadership on this issue.

Mr. BAUCUS. I thank the Senator.

Mr. President, one more point: Often, the first question Senators ask themselves about an amendment is, "Does this break up the package? Does this bust the package?" Some amendments do and some amendments do not bust the package. Certainly, amendments that cost large amounts will bust the package. Amendments that do not cost large amounts will not. This is in the latter category. This is a small amount amendment. Therefore, I submit that it will not bust the package. It is an amendment that is fair and equitable.

Mr. SYMMS. Mr. President, will the Senator yield?

Mr. BAUCUS. I yield.

Mr. SYMMS. Mr. President, I agree with what both Senators have said. I appreciate the Senator from Montana and the Senator from Colorado bringing this amendment to the floor.

It will not break the package, but it may save a lot of small businesses that are right on the margin now, because it will be one less headache. So, in the long run, the \$1 billion projected cost, as the Senator from Montana accurately points out, in terms of the social security program, is not going to make or break the system. In fact, it may not cost anything in the long run, just because it removes the necessity for some unnecessary redtape. Also, it will help some of those businesses facilitate their normal operations and pay their bills. It is an amendment that affects every State.

I think the Senator from Montana and the Senator from Colorado are correct. Small businessmen and businesswomen of America literally are the backbone of the enterprise system in this country.

This is one thing that we could and should do to improve this package. I hope that we can get an overwhelming majority vote for this amendment. It is just plain commonsense. I know from personal experience that it is very helpful to the small businessman who has cash flow and accounting difficulties.

I thank both Senators for offering the amendment.

Mr. BAUCUS. Mr. President, I yield the floor.

Mr. DOLE. Mr. President, I do not know that the Senator from Kansas has any problem with the amendment, but again I think we should state for the Record that it is not cost free as far as the trust fund is concerned. We are concerned about the status of the social security trust funds.

We are advised that the budget effect of this amendment is \$500 million in 1984 and \$1 billion over the decade. It will decrease the trust fund receipts by \$200 million in 1984 and \$400 million over the decade. It will also reduce general revenues in the amount of \$300 million in 1984 and \$600 million over the decade.

As pointed out, the Senator from Kansas had to be absent from the Chamber, but this amendment was discussed in the Finance Committee by the distinguished Senator from Colorado, the Senator from Montana, and I believe the Senator from Idaho.

It is an expensive provision to both the social security trust fund and the Federal budget generally. We were trying to figure out some way to satisfy the concerns of small business without having such a significant impact on the trust funds and on the Federal budget generally. Apparently we did not get that worked out.

● Mr. LEVIN. Mr. President, I cosponsor and support the Armstrong-Baucus amendment which will reduce the paperwork burden on many small businesses by allowing them to deposit

social security payroll taxes on a monthly basis rather than more frequently.

The burdens that we have placed on small business are heavy. The struggle that they face in this recession is deep. We should be ever sensitive to the paperwork and redtape burdens which we impose upon them.

This amendment is one way of reducing those burdens and displaying that sensitivity and we should grasp the opportunity to do so. I am happy to be a cosponsor.●

Mr. DOLE. Mr. President, I have now discussed this amendment with the principal sponsors, the Senator from Colorado, the Senator from Montana, and with the distinguished ranking minority member, Senator LONG. I am prepared to accept the amendment if there is no objection of the Senator from Louisiana.

Mr. LONG. Mr. President, I am willing to accept the amendment.

Mr. DOLE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk preceded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, a parliamentary inquiry. Would the pending matter be the vote on the Armstrong amendment?

The PRESIDING OFFICER. The Senator is correct.

Mr. ARMSTRONG. Have the yeas and nays been ordered?

The PRESIDING OFFICER. They have been ordered.

The question is on agreeing to the amendment of the Senator from Colorado (Mr. ARMSTRONG). The yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from New York (Mr. D'AMATO) is necessarily absent.

I further announce that, if present and voting, the Senator from New York (Mr. D'AMATO) would vote "yea."

Mr. CRANSTON. I announce that the Senator from South Carolina (Mr. HOLLINGS), the Senator from New York (Mr. MOYNIHAN) and the Senator from Arkansas (Mr. PRYOR) are necessarily absent.

The PRESIDING OFFICER (Mr. SYMMS). Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 96, nays 0, as follows:

[Rollcall Vote No. 28 Leg.]

YEAS—96

Abdnor	Bingaman	Chafee
Andrews	Boren	Chiles
Armstrong	Boschwitz	Cochran
Baker	Bradley	Cohen
Baucus	Bumpers	Cranston
Bentsen	Burdick	Danforth
Biden	Byrd	DeConcini

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Denton	Inouye	Percy
Dixon	Jackson	Pressler
Dodd	Jeppsen	Proxmire
Dole	Johnston	Quayle
Domenici	Kamehau	Randolph
Durenberger	Kasten	Riegle
Eagleton	Kennedy	Roth
East	Lautenberg	Rudman
Exon	Laxalt	Sarbanes
Ford	Leahy	Sasser
Garn	Levin	Simpson
Glenn	Long	Specter
Goldwater	Lugar	Stafford
Gorton	Mathias	Stennis
Grassley	Matsunaga	Stevens
Hart	Mattingly	Symms
Hatch	McClure	Thurmond
Hatfield	Melcher	Tower
Hawkins	Metcalf	Tribble
Hecht	Mitchell	Troas
Heflin	Murkowski	Wallop
Helms	Nickles	Warner
Helms	Nunn	Weicker
Huddleston	Packwood	Wilson
Humphrey	Pell	Zorinsky

NOT VOTING—4

D'Amato
Hollings

Moynihan
Pryor

So Mr. Armstrong's amendment (UP No. 77) was agreed to.

Mr. BAUCUS. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. DOLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAUCUS. Mr. President, I ask unanimous consent that Senator LEVIN, Senator SASSER, Senator MITCHELL, Senator BRADLEY, Senator LAUTENBERG, and Senator JEPSEN be added as cosponsors of the amendment that was just agreed to.

The PRESIDING OFFICER. Without objection, it is so ordered.

The majority leader is recognized.

EMERGENCY JOBS APPROPRIATIONS, 1983 (H.R. 1718)

ORDER OF PROCEDURE

Mr. BAKER. Mr. President, I stand here a man buoyed with the happy thought that we may indeed have an agreement dealing with interest and dividend withholding on the jobs bill. I hope I am not unduly optimistic when I say that I believe what I am about to describe will resolve that issue on a basis that appears at this point to be satisfactory to the Senator from Wisconsin and the Senator from Kansas. I have reached the point where almost anything would be satisfactory with me.

There are a number of parts to this request so once again what I intend to do is to describe the request and I am going to put it in a few moments, but in the meantime I will suggest the absence of a quorum after I state the description of the request that I intend to put at some point.

PROPOSED UNANIMOUS-CONSENT REQUEST

The request I am not now putting but will put shortly will read this way:

I ask unanimous consent that the pending measure, which is the social security bill, be temporarily laid aside and the Senate proceed to the consid-

eration of the reciprocity bill, S. 144, which by the way is on the calendar.

I further ask unanimous consent, I will say at the appropriate time, that when that measure, meaning the reciprocity bill, is before the Senate, it will be before the Senate only for one purpose and that is to permit the Senator from Wisconsin (Mr. KASTEN) to offer one amendment dealing with interest and dividend withholding.

I will then ask unanimous consent that no other amendment to the Kasten amendment be in order at this time and that no other amendment be in order at this time, that no debate be in order at this time, that no point of order be in order at this time, and that immediately after the reporting of the Kasten amendment the Senate then, without any further action, resume consideration of the jobs bill, with no further amendment dealing with dividend and interest withholding being in order to the jobs bill; that following the disposition of the jobs bill the Senate resume consideration of the social security bill, and that on April 15, of this year, 1 hour after the Senate convenes, the Senate then resume consideration of the reciprocity bill, S. 144, and at that time the Kasten amendment will be the pending question.

I further will ask unanimous consent that the Kasten amendment to the Abdnor amendment on which the yeas and nays have already been ordered be withdrawn.

That will be the request that I will put, Mr. President, and the practical effect of that request will be to provide that we can get on with the jobs bill today and I think we will finish it today free of the interest and dividend withholding question.

It will provide that we will get on with the social security bill, and frankly, I hope but I am not now asking that no interest and dividend withholding amendment will be offered to social security, but that is not included in this request, and that on April 15 the Senator from Wisconsin is assured that he will have this bill, which is presently on the calendar, without any parliamentary situation that would prevent it, and he will have his opportunity then to debate his amendment which will already be pending as the question before the Senate.

At that time other amendment, of course, would be in order, including amendments to the Kasten amendment. At that time there would be a free-flowing debate on the reciprocity bill or on the Kasten amendment or any other amendment or any point of order if it is appropriate under the rules of the Senate at that time.

In a word, nothing is being done here that would affect the interested parties either as to the reciprocity bill or as to the amendment that Senator KASTEN would offer or any other amendment that might be offered and qualify under that provision.

Now, I am told that there are perhaps two Kasten amendments dealing with interest and dividend withholding that have already been filed. One of them is to the Abdnor amendment and one is to the committee amendment.

So the request when I put it will be that notwithstanding the yeas and nays it be in order to withdraw, and I will include in the request that they be withdrawn.

That will be the request I will put, Mr. President, and it is a complex request. Therefore, I am stating it in advance.

But I must say in all fairness that I commend both the Senator from Wisconsin and the Senator from Kansas for giving their preliminary consent to this because I think it is a high act of statesmanship for both of them that they are going to permit the Senate now to go forward, if this consent is granted, with the orderly disposition of the important business before us.

Mr. CHILES. Mr. President, will the Senator yield?

Mr. BAKER. Mr. President, if the Senator will permit me to yield first to the Senator from Kansas, then I will be pleased to yield to the Senator from Florida.

Mr. KASTEN. Mr. President, will the Senator yield?

Mr. BAKER. I yield.

Mr. KASTEN. Mr. President, first of all, I thank the majority leader for his patience and cooperation in working this out.

We are at the point that a number of us hoped we would be at yesterday or the day before, and we now have an agreement which I believe is significantly different and better than anything we have had in the past. I thank the Senator for his cooperation and for his work, and I also thank the Senator from Kansas.

First of all, we have a specific bill to work with and the bill will be called up today and it will be ordered to be laid over, but more importantly we will prevent the possibility of amendments bunching up in between the Kasten amendment and the bill. It will make it possible so that the issue of withholding will be an issue that will be before the Senate on that day on April 15 rather than at some day out in the future that we could not be sure of.

The fact that the majority leader is actually bringing the bill up today and having it introduced is significant and important. I believe that this is a significant step for all of us who support repeal of the 10-percent withholding. Clearly a majority of the Senate wants the opportunity to vote up or down on this issue, and I believe that this agreement will give us that opportunity to vote up or down on this issue in a place where Senators frankly will be able to vote on this issue and this issue alone rather than it being cluttered up or confused with the questions of the jobs bill or of the unemployment compensation section.

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So I am hopeful that we can agree to this, and I thank the majority leader for working with me in terms of organizing this particular agreement.

(Mr. SYMMS assumed the chair.)

Mr. BAKER. Mr. President, I thank the Senator from Wisconsin.

I yield now to the Senator from Florida.

Mr. CHILES. I thank the majority leader. I compliment the majority leader on the time and effort he has put in over a number of days in order to try to achieve this unanimous-consent agreement. I think the unanimous-consent agreement is a good one except I am concerned when I heard the majority leader say there was nothing in here to determine whether an amendment would be offered, a similar type of amendment, on dividend and interest withholding to the social security bill.

If we have gone through this whole exercise we have gone through now, and we have reached an accommodation of allowing an amendment to be put on the reciprocity bill, and then we may be faced with the same thing, another amendment on social security and another hold up, this Senator does not think that is a complete agreement, and I think I would object to it unless I have some assurance we are not going to face this same thing on the social security bill. We might as well just have it up now and determine what it is going to be because the jobs bill is very important, but to this Senator and, I think, to many of us, the social security bill is more important.

To get it into a position where it is going to be held hostage, I think would be the worst thing to do. It is sort of as if you made an agreement but you have left yourself open to agree further. I am not a party as to how we go on either of these amendments. I am more concerned with the time than I am with the merits of the amendment.

Mr. BAKER. Mr. President, I cannot tell the Senator from Florida how much I agree with him except that I think we ought to move ahead with what we can get.

I had originally asked for the inclusion of an agreement that neither the social security bill nor the jobs bill would have a dividend and interest withholding amendment and, frankly, I must say in all candor I had suggestions from both sides of the aisle, not just this side. But both sides thought that, perhaps, it was too soon to do that.

We all know how the Senate works. It takes us a while not only here but other places to understand and to feel these proposals and to assess them.

So I think it is too soon. But the Senator can be assured I am going to try to do that and I am going to do it as soon as I feel there is a reasonable opportunity to get it done. But I would have to put the request at this time and have an objection to it, and I think there would be an objection,

perhaps several objections, and certainly from both sides of the aisle.

Let me say this to my friend from Florida—and he is my friend—I agree with him absolutely, and I enlist and solicit his help and assistance in this business of trying to argue out of that position any Members who may harbor such nefarious thoughts.

Mr. CHILES. You have my assistance. But I would like to hear something more forthcoming on this because I do not believe it has ripened to the point where we can make such an agreement if we do not have a similar agreement on social security.

Mr. KASTEN. Mr. President, will the Senator yield?

Mr. BAKER. Let me say one further thing, if I may, and then I will yield to the Senator from Wisconsin. There is one big difference. There are a number of things, for instance, you cannot do, but one thing at a time can be done, and there is one big difference. We have a deadline on certain aspects of this bill that we have already passed—that is the deadline. I am talking about unemployment benefits, for one.

I called downtown today and talked to representatives of the White House and the Department of Labor about where we are in unemployment funding, and let me tell you what they told me. I asked them to give me the absolute straight dope, I do not want it for any strategic or tactical purposes, but I want to know where we are because we cannot play with the fate of people who are expecting and are entitled to unemployment checks.

We have \$102 million today in that account. Their average drawdown is \$100 million a day. They expect, however, that they cannot get through Monday unless we can do something here.

The House is only in pro forma today and not at all tomorrow, so it is going to be Monday before we can do anything. I am afraid we have already passed the time that we can avoid any dislocation, but we certainly can minimize it and provide assurance that if the matter is at rest, if we go ahead with this bill at this time, then I urge we have to do that. I think we can continue to work. I have been working for days now trying to get this worked out, and I will assure the Senator from Florida I am going to work just as diligently in trying to salvage the social security bill.

The Senator is right, it is just as important in terms of the number of people involved, and more important, perhaps, than the jobs bill. But the jobs bill has an urgent priority that we cannot overlook, I believe, and I really hope the Senator from Florida will join me in trying to work this thing out so it does not happen on social security. But in the meantime, I hope the Senator will not object to the request when I put it.

Mr. President, let me yield now to the Senator from Wisconsin.

Mr. KASTEN. I would just like to respond briefly to the Senator from Florida. I do not intend to offer my amendment to repeal the withholding on the social security bill.

Mr. BAKER. I did not understand the Senator.

Mr. KASTEN. I did not intend to offer my amendment to repeal the 10-percent withholding on the social security bill. I want to let the Senator from Florida know that.

Mr. BAKER. I thank the Senator from Wisconsin, and I am much encouraged by that, and I will make this proposal. I am perfectly willing, after we get this agreement, to go ahead then and make the request with respect to the social security bill.

Mr. President, I now yield to the Senator from Kansas.

Mr. DOLE. As I understand, there is going to be a short quorum call before the request is made?

Mr. BAKER. Yes, the Senator is correct.

Mr. DOLE. I would just say at the outset I have looked at this rather carefully, and I think it is pretty much what we have been talking about in the last couple of days. I do not see any reason to object to it.

The only thing the Senator from Kansas loses in this is the right to filibuster, the right to proceed to the consideration of the bill, and I think there are enough other things we can think of between now and April 15 to give us some time to debate it. That is the only question the Senator from Kansas has, because he wants this issue as fully understood as possible and he wants the mail answered. There may be a little different approach, but I would say to the majority leader that a preliminary reading would indicate that the Senator from Kansas has no problems.

I am concerned, as is the Senator from Florida, about social security. Although the Senator from Wisconsin indicated he does not plan to offer an amendment, I would guess there may be others who feel as strongly about withholding as the Senator from Wisconsin. But I doubt that there will be any of those types of amendments offered to the social security bill. It is my hope we can finish social security, if not tomorrow night, early next week.

Mr. BAKER. I thank the Senator.

Does the minority leader wish to be heard?

Mr. BYRD. Mr. President, will the majority leader indulge me?

Mr. President, I have one Senator who at the moment is in a position that would preclude my going along with the agreement, but we are trying to work it out. I would say if the majority leader can get the agreement it would certainly expedite our business. I think without the proposal that there be no withholding amendment on the social security bill the majority leader loses nothing because without

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the agreement such an amendment can be offered, so I would say to my friend from Florida if I were in the majority leader's position I would try hard to get this half loaf or three-quarter loaf, and then try to get the rest of the loaf later. I do not think by not precluding the offering of this amendment to the social security bill the majority leader loses anything because it can be afforded without the agreement. But I am working with one Senator who, in turn, is working with another Senator, and hopefully we can get back to the majority leader soon with an agreement on this side.

I hope the Senator from Florida—and, of course, he will speak for himself—will agree to that.

Mr. BAKER. Mr. President, may I inquire of the distinguished manager of the bill and the minority manager of the bill if there is any business they can transact would they prefer to have a quorum call?

Mr. DOLE. There are some amendments that I do not think are in dispute we can dispose of, one by the Senator from California (Mr. CRANSTON) and the Senator from Wyoming (Mr. SIMPSON).

Mr. BAKER. Why not do that and at approximately 1 p.m. I will confer with the minority leader on this subject.

Mr. DOLE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

SOCIAL SECURITY ACT AMENDMENTS OF 1983

UP AMENDMENT NO. 78

(Purpose: To permit an administrative reorganization of certain Veterans' Administration offices)

Mr. DOLE. Mr. President, I send an amendment to the desk on behalf of the distinguished Senator from California, Senator CRANSTON, and the distinguished Senator from Wyoming, Senator SIMPSON.

I might say, before sending it to the desk, that it is a technical amendment that they have asked we try to dispose of when we had an opportunity.

The PRESIDING OFFICER. Is there objection?

Mr. BYRD. Mr. President, reserving the right to object. I have no objection.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Kansas (Mr. DOLE), on behalf of the Senator from California (Mr. CRANSTON) and the Senator from Wyoming (Mr. SIMPSON), proposes an unprinted amendment numbered 78.

Mr. DOLE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Add at the end of the bill the following new title:

**TITLE —VETERANS'
ADMINISTRATION REORGANIZATION**
Sec. . The requirements of section 210(b)(2)(A) of title 38, United States Code, shall not apply to the planned administrative reorganization at the Veterans' Administration Los Angeles Data Processing Center involving the transfer of 25 full-time equivalent employees from the Office of Data management and technology to the Department of Medicine and Surgery of the Veterans' Administration.

Mr. DOLE. Mr. President, as I indicated, this is an amendment that I have offered on behalf of the distinguished Senator from California, Senator CRANSTON, and the distinguished Senator from Wyoming, Senator SIMPSON. It is a noncontroversial amendment relating to the transfer of a small number of VA employee positions from one VA department to another in Los Angeles. It is one that there has been an agreement upon. It is technical in nature. I know of no objection to the amendment.

Mr. BAUCUS. Mr. President, as far as I understand on this side of the aisle, there is no objection.

This amendment does not relate to social security. It relates to an internal reorganization problem in the Veterans' Administration, and the Administration needs the amendment in order to transfer 25 full-time equivalent employees from one agency to another within the Veterans' Administration.

I am not aware of any opposition to the amendment.

Mr. CRANSTON. Mr. President, I am pleased to join with my good friend, the chairman of the Veterans' Affairs Committee (Mr. SIMPSON), in submitting for printing a noncontroversial amendment to S. 1 that we intend to offer during Senate consideration of S. 1 later this week. The substance of the amendment—relating to a staffing reorganization in the Veterans' Administration—is not related to the subject matter of S. 1. Rather, we are proposing to add it to S. 1 because of the need to insure early enactment of the provisions of our amendment.

Mr. President, I will ask that a February 1, 1983, letter from Administrator of Veterans' Affairs Harry N. Walters to me be printed in the Record at the conclusion of my remarks. In that letter, Mr. Walters explains in some detail the situation that prompts our amendment. Stated very briefly, the VA is seeking to accomplish an intra-agency transfer of 25 full-time equivalent employees from an office in one VA department to an office in another in connection with the agency's efforts to develop a decentralized automated data processing—ADP—system in the VA health-care system. As Administra-

tor Walters noted in his letter, the transfer is considered necessary by the VA in order to comply with the thrust of provisions in Public Law 97-377, the current fiscal year 1983 continuing resolution signed into law on December 21, 1982, that are aimed at eliminating certain centralized ADP activities at VA medical facilities. The 25 employees proposed to be transferred have been operating a centralized ADP system that the VA considers outdated and wished to eliminate in light of the congressional mandate in that public law. However, under a provision applicable only to the VA—section 210(b)(2) of title 38, United States Code—generally prohibiting the VA from reducing the staff at any of its offices by more than 10 percent in any fiscal year without advance notice to the Congress approximately 8 months prior to the beginning of that fiscal year, this transfer cannot take place until October 1, 1983, the start of the fiscal year 1984.

Mr. President, I know of no opposition to the proposed transfer; it is important for the transfer to take place much sooner than October 1, and enactment of the amendment we are proposing will allow the transfer to take place in a more appropriate time frame. I note also, Mr. President, that the transfer will not involve any actual moving of staff; rather, those transferred will remain at the same location but under a different VA organizational unit.

Mr. President, I ask unanimous consent that the letter mentioned earlier from the Administrator of Veterans' Affairs, dated February 1, 1983, be printed at this point in the Record.

There being no objection, the letter was ordered to be printed in the Record as follows:

FEBRUARY 1, 1983.

HON. ALAN CRANSTON,
Ranking Minority Member, Committee on
Veterans' Affairs, U.S. Senate, Washing-
ton, D.C.

DEAR SENATOR CRANSTON: The continuing resolution signed into law on December 21, 1982, Pub. L. No. 97-377, states that no appropriated funds shall be used to further develop or maintain this Agency's Computerized Medical Information Support System (COMISS). It also mandates the transfer of a full-time equivalent employment (FTEE) ceiling of 69 positions (on an annualized basis), previously assigned to COMISS development, from the Office of Data Management and Telecommunications (ODM&T) to the Department of Medicine and Surgery (DM&S) for the support of the Decentralized Hospital Computer Program (DHCP). However, the law states that funds can also be used to operate the Automated Pharmacy, Prescription Labeling, Editing and Storage (APPLES) system at locations where that system is currently operating.

We are taking the actions that are necessary to transfer the specified 69 FTEE ceiling, plus an additional 11 positions previously assigned to COMISS development, from ODM&T to DM&S. This transfer includes the total FTEE ceiling for COMISS in Central Office and at the Hines Data Processing Center and therefore complies with both the letter and intent of Pub. L. No. 97-377.

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In order to further comply with the thrust of that law, I have decided that the transfer should also include an FTEE ceiling of 25 positions that currently support the operation and maintenance of the APPLES system at the Los Angeles VA Data Processing Center. The APPLES system is a centrally maintained and operated hospital outpatient pharmacy system that currently supports VA hospitals in Southern California. The intent of the Congressional directive to terminate COMISS development is to ensure that hospital-based automation is accomplished by DM&S through DHCP. The APPLES system is an outdated centralized system which will eventually be replaced by a DHCP system. Logically, therefore, the FTEE ceiling for APPLES should also reside within DM&S and not ODM&T.

However, since including this FTEE ceiling of 25 positions exceeds 10% of that office's total FTEE ceiling of 80 positions, I am reporting to you, in accordance with 38 USC 210(b)(2), my intention to transfer that FTEE ceiling to the West Los Angeles VA Medical Center on October 1, 1983. Later, during fiscal year 1984, it may become necessary to further realign that FTEE within DM&S to ensure support for the orderly development of DHCP. The purpose of the reorganization is to help accomplish the gradual transition from centralized to decentralized hospital computer support. The Congress has spoken clearly in Pub. L. No. 97-377 and on pages 8 through 10 of House Report No. 97-359 to point the VA in this direction.

We wish to maintain ADP support during this transition period while minimizing potential adverse impact on affected VA employees. We believe that we can best accomplish these goals by moving the FTEE for APPLES at the Los Angeles DPC as soon as possible.

I will be pleased to provide any additional information which you may desire concerning this planned reorganization.

Sincerely,

HARRY N. WALTERS,
Administrator.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (UP No. 78) was agreed to.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. BAUCUS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOLE. Mr. President, I understand that my colleague from Kansas, Senator KASSEBAUM, and the Senator from Connecticut, Senator DODD, may have noncontroversial amendments. I also know that the Senator from New Jersey has one, but it is going to be controversial. We have been asked by the majority leader not to get into any "controversial" areas. This would not mean that those amendments may not be adopted, but if there is some dispute we would defer debate, so that we can move to the jobs bill if and when the unanimous-consent request is made and agreed to.

I might suggest, if someone could notify Senator DODD and Senator KASSEBAUM, we might dispose of those two amendments.

I might say to the Members who may be listening that there are not all

that many amendments on this bill. The Senator from Montana and the Senator from Oklahoma have one on illegal aliens. We are in the process of reviewing that amendment. We are reviewing the amendment of the Senator from New Jersey, Senator BRADLEY. There will be, of course, Senator LONG's amendment. That will take some time and may lead to other amendments.

In any event, at this point there are probably not more than a dozen amendments. We would hope that if some of those are not controversial, we could dispose of them before we go back on the jobs bill.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. LONG. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Louisiana is recognized.

COSPONSORS—AMENDMENT NO. 512

Mr. LONG. Mr. President, I ask unanimous consent that the following Senators be added as original cosponsors on Senate amendment No. 512, social security reform: PELL, GLENN, RIEGLE, PRESSLER, BIDEN, and WARNER.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LONG. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 521

(Formerly UP Amendment No. 72.)

Mr. DOLE. Mr. President, it is my understanding that the distinguished majority leader will soon propound a unanimous-consent request. But while contacts are being made, perhaps we can dispose of the amendment of the Presiding Officer, the Senator from Idaho (Mr. SYMMS). I understand that is the pending business. Is that correct?

The PRESIDING OFFICER. That is the pending business.

Mr. DOLE. The yeas and nays have been ordered?

The PRESIDING OFFICER. The yeas and nays have been ordered.

Mr. BYRD. Mr. President, a clarification. Will the Chair state the question again?

The PRESIDING OFFICER. The question is on agreeing to unprinted amendment No. 72, by the Senator from Idaho. The yeas and nays were ordered yesterday.

Mr. BYRD. Mr. President, that amendment would change the retirement age to 68. Is that correct?

Mr. DOLE. Yes; that is the understanding of the Senator from Kansas. (Mr. MATTINGLY assumed the chair.)

Mr. SYMMS. Mr. President, if the distinguished majority leader will yield, I was in the chair, and I could not respond.

Very simply, the amendment raises the retirement age 1 month every year for 36 years, so it is a very gradual change, and it will not disrupt anybody's plans. It will save billions of dollars for the long-term problem and several billion dollars in the next 10 years when there is a squeeze on the trust fund.

Mr. BYRD. I thank the Senator. I just thought Senators should know what the question is.

The PRESIDING OFFICER. The question is on agreeing to the amendment. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from New York (Mr. D'AMATO) is necessarily absent.

I further announce that, if present and voting, the Senator from New York (Mr. D'AMATO) would vote nay.

Mr. CRANSTON. I announce that the Senator from Arkansas (Mr. BUMPHREYS), the Senator from South Carolina (Mr. HOLLINGS), and the Senator from Massachusetts (Mr. KENNEDY) are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 12, nays 84, as follows:

[Rollcall Vote No. 29 Leg.]

YEAS—12

Armstrong	Goldwater	Mattingly
Denton	Hatch	McClure
East	Helms	Nickles
Garn	Humphrey	Symms

NAYS—84

Abdnor	Gorton	Nunn
Andrews	Grassley	Packwood
Baker	Hart	Pell
Baucus	Hatfield	Percy
Bentsen	Hawkins	Pressler
Biden	Hecht	Proxmire
Bingaman	Heflin	Pryor
Boren	Heinz	Quayle
Boschwitz	Huddleston	Randolph
Bradley	Inouye	Riegle
Burdick	Jackson	Roth
Byrd	Jepson	Rudman
Chafee	Johnston	Sarbanes
Chiles	Kassebaum	Sasser
Cochran	Kasten	Simpson
Cohen	Lautenberg	Specter
Cranston	Laxalt	Stafford
Danforth	Leahy	Stennis
DeConcini	Levin	Stevens
Dixon	Long	Thurmond
Dodd	Lugar	Tower
Dole	Mathias	Trible
Domenici	Matsunaga	Tsongas
Durenberger	Melcher	Wallop
Eagleton	Metzenbaum	Warner
Exon	Mitchell	Welcker
Ford	Moynihan	Wilson
Glenn	Murkowski	Zorinsky

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NOT VOTING—4

Bumpers
D'Amato

Hollings
Kennedy

So Mr. SYMMS' amendment (No. 521) was rejected.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the amendment was defeated.

Mr. LONG. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAKER. Mr. President, may we have order in the Senate?

The PRESIDING OFFICER. There will be order in the Senate.

The majority leader.

Mr. BAKER. I thank the Chair.

Mr. President, earlier this afternoon, I described the terms of a proposed unanimous-consent agreement that I hope the Senate will agree to.

Mr. President, I have no changes, except minor language changes, to make in the request as I described it earlier. I will put that request in just a moment. I would like to make sure that all the principals and the minority leader are on the floor. I thought that was the case, but it apparently is not at the moment.

I do not want to put this request until I am sure everybody is here who expressed an interest in it or who wants to be on the floor, so let me wait just a minute.

I now suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNANIMOUS-CONSENT AGREEMENT—KASTEN AMENDMENT NO. 504

Mr. BAKER. Mr. President, as I said earlier, I want now to propound a unanimous-consent request that is identical, I believe, with the one I described on the floor a little while ago, with certain minor changes that I believe do not affect in any way the substance of the agreement but do, in fact, contribute to its clarification. I hope the agreement will be granted by the Senate.

Mr. President, I ask unanimous consent that the pending measure be temporarily laid aside and that the Senate proceed to the consideration of the reciprocity bill, S. 144.

I further ask unanimous consent, when that measure is before the Senate this afternoon, that it will be before the Senate only for one purpose, and that is to permit the Senator from Wisconsin (Mr. KASTEN) to offer one amendment dealing with dividend and interest withholding.

I further ask unanimous consent that no amendment to the Kasten

amendment be in order this afternoon; that no debate be in order this afternoon; that no point of order be in order to be made at this time; that immediately after the reporting of the Kasten amendment, the Senate, without further action, then resume consideration of the jobs bill; that no further amendment dealing with withholding of dividends and interest be in order to that bill; and that on April 15, 1 hour after the Senate convenes, the Senate resume consideration of the reciprocity bill, at which time the Kasten amendment will be the pending question for debate and with no waiver of any Senator's rights.

I further ask unanimous consent that the Kasten amendment to the Abdnor amendment be withdrawn and that the Kasten amendment to the committee amendment be withdrawn.

I further ask unanimous consent, Mr. President, that the order for the Senate to convene on Saturday be vitiated. I ask unanimous consent that the order for a vote on cloture which would mature tomorrow be vitiated.

Mr. President, that is the request.

Mr. LONG. Mr. President, reserving the right to object, and I do not intend to object, Mr. President, I just want to make it clear that, as far as the Senator from Louisiana is concerned, if Mr. KASTEN is willing to agree to that unanimous-consent request with regard to his amendment, I will respect his decision.

Mr. BAKER. Will the Senator yield?

Mr. LONG. Yes.

Mr. BAKER. Mr. President, that is entirely appropriate and I think we should ask the Senator from Wisconsin if he is agreeable with the request.

Mr. KASTEN. I am agreeable to this request. I would like to say to the Senator from Louisiana that this is similar to what he and I and others have been working for now for 2 or 3 days. It means this will be the pending amendment. It means we will be able, within a short period of time, by working the will of the Senate, to have a vote up or down on the withholding question.

Mr. LONG. Let me say further, it is the judgment of the Senator from Louisiana that the jobs bill was not the most appropriate bill on which to offer the amendment.

If the Senator from Louisiana had been planning to offer that amendment, he would have offered it on the social security bill. I do not know that I am going to offer it on the social security bill, but I want to make clear that a Senator has that right, if he wants to do so.

When one studies the amendment, I am not sure that the Kasten amendment will get from here to the House of Representatives even if the Senator has a majority of votes here in the Senate.

I have read Mr. Dole's remarks which appear earlier in today's Record. They make it clear that the Senator from Kansas and those who agree with him would have a right to

debate the Kasten amendment on the trade bill as long as they want to, and they would have a right to conduct a postcloture filibuster on it, if that be their desire.

It is clear that that is the right of Senators.

This Senator is willing to go along with the unanimous consent agreement.

This Senator salutes the Senator from Wisconsin for the noble fight he has made on this matter. At least he did succeed in getting a showing of strength. He gave the Senate an opportunity to go on record in favor of repealing withholding, and he did have a majority of the votes, 59 votes, as I recall. So he has made a noble contribution to the cause.

I am frank to say that many Senators—in fact, by the time they think it over, maybe a majority of those who favor what Mr. KASTEN is trying to do—may feel that they are compelled to offer a similar amendment on the social security bill or some other bill. As I understand it, that is their privilege if the unanimous-consent agreement is agreed to.

Mr. BAKER. Yes. As the Senator knows, Mr. President, I had earlier hoped we could include in this agreement a prohibition against the interest withholding amendment on either the jobs bill or social security. As the Senator from Louisiana points out, that would be unlikely to be agreed to by the Senate. There are a number of Senators on both sides of the aisle who have indicated they wish to preserve that right. I continue to hope they do not do that because we do need to pass social security. But I did not include that request at this time for that very reason. Of course, any Senator is free to offer any amendment that they wish and that qualifies to the social security bill without any effect on this agreement.

Mr. LONG. I just want the Senator to understand that if a request had been made that no such amendment be offered to the social security bill, I would have been compelled to object today. I might have wanted to reconsider my position over the weekend, but today I would be compelled to object to the request. I will not object to the pending request, and I hope other Senators will not object.

Several Senators addressed the Chair.

Mr. BAKER. Let me yield to the Senator from Wisconsin once more.

Mr. KASTEN. I want to thank the majority leader for yielding. I wanted to direct my comments to the Senator from Louisiana.

He is correct. The possible flaw in this agreement is that this particular bill will not have the power or legislative strength, if you will, to go all the way through the process. I recognize that. It is my feeling that at this time we wanted to get a vote by which we

could pass it out of the Senate Chamber without slowing down the jobs bill.

If it turns out that the Senator's remarks are correct, that this will be tucked away in some back corner desk in the Ways and Means Committee, we have not in any way cut off our chances for amending the debt ceiling bill, for amending other appropriations matters, for amending a tax bill when it comes.

This issue is going to be before the Senate and this issue is going to be before the American people until it is repealed. We are going to repeal it. The question is how are we going to get from where we are to there. We are in no way precluded from any other mechanisms or benefits.

Mr. LONG. I just want to make clear Mr. President, that that is the situation, that the Senator from Wisconsin, certainly he or any other Senator, is not barred if he feels he wants to offer this amendment on the social security bill or any other bill. In my judgment, such an amendment should have been offered on what is clearly a revenue bill.

Over in the House of Representatives they have a way of doing business where they regard an appropriations bill as being a bill to raise revenue. Just read the Constitution. It says bills to raise revenue must originate in the House of Representatives. My imagination defies me to see how an appropriations bill to spend money can be determined to be a bill to raise revenue.

If we try to send them an appropriation bill that originates in the Senate, they will say it is a revenue bill and send it back to us. If we take another bill that has nothing to do with revenue, and if we put on an amendment to reduce revenue, not raise it, they will send it back. We do not get a chance to appeal their action because we have no right to make an appeal over there in the House or to make a motion there. We have to act over here when it gets sent back to us. We are powerless to do anything about it when those people in the House put a construction on a bill that is obviously wrong. But who are we going to appeal to?

We have no recourse. We just have to go along with them on the theory that you can offer an amendment on a revenue bill, and while at it you might as well offer it on a real revenue bill.

Mr. BAKER addressed the Chair.

The PRESIDING OFFICER. The majority leader.

Mr. BAKER. Mr. President, you have heard from a man who never served in the House, and I am one of those who never served in the House. [Laughter.]

I confess freely I do not understand the ways of the House. But I do understand that the Senator from Louisiana is absolutely right. They will do that to us. The Founding Fathers gave us nothing to do in return, I am afraid, so

there is not much we can do about that, at least right now.

I want to subscribe absolutely and totally to the description of that situation by the distinguished Senator from Louisiana.

Now I will yield to the Senator from Nebraska and then to the Senator from Iowa.

Mr. EXON. Reserving the right to object, and I will not object, I would like to take the time to ask two questions, if they will answer, first a question to the Senator from Wisconsin and then to the Senator from Louisiana.

Mr. BAKER. Mr. President, I yield for that purpose.

Mr. EXON. I will first ask a question of the Senator from Wisconsin, reminding him and the body that I am a cosponsor of the amendment he has fought so hard for, to eliminate the withholding on interest and dividends come July 1.

My question has to do with a news report that I read earlier today that was attributed to the Senator from Wisconsin indicating that he was suggesting that we move up the cloture petition vote to this afternoon, that he intended at that time to vote for cloture and then move to overrule the likely ruling of the Chair that his amendment would not be germane.

Is it in order and could he answer the question as to whether that effort has failed, or does the Senator think that the recommendations that have just been outlined by the majority leader better serve the cause that the Senator and I are dedicated to?

Mr. KASTEN. In response to the Senator from Nebraska, I want to say that I thank him for his strong support and coauthorship of the amendment and his strong support in the effort to repeal this regulation concerning withholding on interest and dividends.

This morning when I spoke, I said to the Senate it would be my hope that we not delay this whole process, that either we follow the outline just described by the Senator or that we work with the leadership to try to accommodate our needs. We have been trying to work with them since last Thursday. Significant changes were made today which made it possible for a bill to be brought up, for an amendment to be attached to it, and for that to be, if you will, boxed into a date certain. These were not agreements possible before today.

I think the fact that we talked about pushing the cloture vote and, frankly, pushing the Senate into a postcloture situation where that ruling would have been difficult and that vote on postcloture germaneness would have started to push against the rules of the Senate, although there have been precedents in 1980, thinking of the Kassebaum amendment, I chose, and I believe our cause is best served, to not push on that at this time, by not forcing ourselves into a postcloture filibuster

situation, and by not slowing down the jobs bill any further.

We have what we wanted from last Thursday. We now have the opportunity for the up or down vote on a particular date certain and without intervening business that can be used to fence us out.

We have what we wanted. Last Thursday, we got to it in part by talking about going through the cloture situation this afternoon.

Mr. EXON. I thank my friend from Wisconsin for his explanation. Now I would like to pose a question to my learned friend and master of the parliamentary procedure, the Senator from Louisiana.

The measure upon which the compromise is based is the reciprocity bill; is that correct?

The Senator from Nebraska happens also to be a cosponsor of that reciprocity bill. I do not know whether or not this idea has been cleared with the sponsors of that bill, but I am inquiring of the Senator from Louisiana as to what he thinks the chances are of the amendment ever getting to the House of Representatives and being passed if we follow the route that has been suggested by the majority leader. Or might it be that attaching this measure that I am a cosponsor of with the Senator from Wisconsin to the reciprocity bill that I am a cosponsor of might not, indeed, mean that neither one of them will ever see the light of day?

Mr. LONG. Mr. President, I have no doubt that they will see the light of day on the Senate floor, because that is called for in the unanimous consent request. They will see the light of day on the Senate floor.

Mr. EXON. I mean off the Senate floor.

Mr. LONG. I assume that if the opponents of this measure are as firm in their opposition as they are now—and the statement of Mr. DOLE, the chairman of the Committee on Finance, indicated that he is still as firm in his views as he has been up to this point—I would say that the chances of anything happening other than the bill coming back from the House with a blue slip on it are little or none. All it takes is a single objection over there and it comes back to us with a blue slip on it, and that is the end of it. We can pass the bill and it will come back from the House with a blue slip.

Mr. BAKER. Mr. President, a few minutes ago I indicated that I do not know anything about the House rules. I do not know much, but I know a little, because I have been enlightened on this subject by the chairman of the House Ways and Means Committee and others. I understand that a majority of the House would have to support a challenge of that bill with a blue slip. If the majority of the House wants to accept that bill, a single objection would not stop it.

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Mr. MATSUNAGA. Mr. President, I rise to express my support for final passage of this emergency jobs and humanitarian aid relief package. I am indeed pleased that we were able to resolve our differences to pass this crucial legislation.

As with all of my colleagues, I hope to see the long-awaited economic recovery take hold and reduce our unacceptable levels of unemployment. Certainly, a vital and thriving economy would be the best job stimulus scenario we could hope to see. However, I fear that the best we can expect in the near future is a weak recovery that will not provide relief to the millions of Americans currently without jobs, without food, without shelter, without proper medical care, without all the basic necessities, and above all, without hope. These Americans cannot wait for economic recovery. They need jobs now. They need food now. I repeat, the basic needs of the jobless and their families must be met now.

For this reason, I am pleased that the Senate will pass this jobs package which is a first step toward creating employment opportunities for the nearly 12 million jobless Americans. We will have acted wisely in adopting this measure. But we must not lose sight of the fact that unemployment in the United States remains at an unacceptable level of 10.4 percent, with nearly 12 million Americans jobless. This figure does not, of course, reflect the additional 1 million discouraged workers who have given up seeking employment. In the past 2 months, the unemployment rate has gone down slightly. Nonetheless, the Congressional Budget Office estimates that an average of 11.9 million Americans will be unemployed each month in 1983.

Because of this desperate situation, I regret that the Senate did not adopt the Democratic task force amendment offered by the Senator from Michigan, Mr. LEVIN, myself and others last week that would have provided an additional \$1.6 billion to the jobs and humanitarian aid bill. It is my fervent hope that both Houses of Congress will continue working on legislation to create jobs and fund programs to retrain displaced workers and train new workers for high technology positions.

We are taking an important step today in passing this legislation, but we must continue to work diligently to meet the needs of our deserving citizens.

THE JOBS BILL

Mr. BYRD. Mr. President, I am relieved that it was possible for the parliamentary tangle which had developed on this legislation to be cleared up, so that the Senate can pass this jobs bill. The Nation—and its 11 million unemployed workers and their families—are desperate for help, and this bill will offer a significant measure of relief.

In my opinion, the bill we are passing unfortunately does not do enough

to meet the staggering need throughout the country. I and a number of my colleagues offered a carefully crafted amendment designed to increase the number of jobs the bill will provide by 365,000, and provide additional emergency food, shelter, and health care assistance to additional tens of thousands. I regret that the amendment was not agreed to by the Senate.

However, several very important elements of that package were accepted as separate amendments, including an amendment by Senator EAGLETON providing additional funds for community health centers and maternal and child health programs; an amendment by Senator LEVIN providing additional funds to employ senior citizens, and an amendment by Senator PRYOR providing assistance to private organizations such as the United Way, whose financial resources have been taxed to their limits as they attempt to provide shelter to the homeless and food to those who cannot afford to eat.

In all, the bill that the Senate is passing today takes an important step toward meeting the needs of the unemployed and toward attempting to put the jobless back to work. It is, assuredly, only a first step toward addressing these matters. It is only the down payment on our obligation to help those whose lives and fortunes have been harmed by economic forces beyond our control.

In the weeks ahead, I intend to be diligently at work with my colleagues to determine what additional steps we should take in phase 2 of our aid to the unemployed. Simultaneously, we will be seeking action that will result in further reduction in high interest rates and in stimulating renewed economic growth. We all know, Mr. President, that until we undo the economic damage visited upon us by the failed economics of the Reagan administration, and put the Nation back on its feet, we will be seeking an unattainable objective of spot-patching a crumbling structure.

Nevertheless, Mr. President, it is reassuring to see that the Congress has been able to take this first step. This bill will provide real help to many thousands, while also resulting in completion or advancement of a number of important public works projects of benefit to millions more. The bill also contains essential funding to assure that the payment of unemployment insurance benefits will not be interrupted during the next several weeks because the unemployment insurance account has been exhausted.

I congratulate the chairman of the Appropriations Committee, the distinguished Senator from Oregon, and the ranking Democratic member, the distinguished Senator from Mississippi, on their work on this bill. It was a privilege to work with them in assuring that the funding contained in this bill is better targeted to areas that have suffered the most severe unemployment during this recession. I am

confident that the Senate conferees on this bill will work to protect this important Senate improvement in the bill.

I urge my colleagues to support this legislation—this first installment of aid to the victims of the recession.

The PRESIDING OFFICER. The question is on the engrossment of the amendments and third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read a third time.

Mr. BAKER. Mr. President, let me point out a fact that may not have escaped the notice of all Senators that today is St. Patrick's Day. I had nothing green to wear today but I was reassured by my staff. My staff pointed out that my complexion has been green for some days now.

Mr. President, the fact remains, however, that a number of Senators are away from the Chamber attending a special ceremony at the Irish Embassy in connection with St. Patrick's Day.

I hope that the distinguished manager of the bill might permit us to recess for about 30 minutes while we try to get Members back to the Chamber. I know all of them would wish to be here when this final vote is taken on the jobs bill.

Mr. HATFIELD. Mr. President, will the Senator yield for a question?

Mr. BAKER. I yield.

Mr. HATFIELD. I say to the majority leader I would have no objection as one of the managers of the bill, but I wish to consult with my comanager about the possibility of a recess, but predicated on the understanding that immediately upon the expiration of the recess we proceed to the vote.

Mr. BAKER. Yes.

Mr. President, I am told now that the chairman of the Finance Committee is willing to go back to social security.

UNANIMOUS-CONSENT AGREEMENT

Mr. BAKER. Mr. President, I ask unanimous consent that the Senate now temporarily lay aside the jobs bill and resume consideration of the social security bill but that at 3:10 p.m. today the Senate then once again lay aside the social security bill and resume consideration of the jobs bill and that without intervening action by the Senate or debate the vote occur on final passage as previously ordered.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Tennessee?

Without objection, it is so ordered.

SOCIAL SECURITY ACT AMENDMENTS OF 1983

The PRESIDING OFFICER. The clerk will state the bill.

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The legislative clerk read as follows:

A bill (H.R. 1900) to assure the solvency of the Social Security Trust Funds, to reform the Medicare reimbursement of hospitals, to extend the Federal supplemental compensation program, and for other purposes.

The Senate resumed consideration of the bill.

Mr. HELMS. Mr. President, what is the pending business?

The PRESIDING OFFICER. The pending business is the amendment of the Senator from New Jersey to the amendment of the Senator from Kansas to the social security measure.

Mr. HELMS. Mr. President, is a further amendment in order?

The PRESIDING OFFICER. The amendment of the Senator from New Jersey is a first-degree amendment. A second-degree amendment would be in order.

Mr. DOLE. Mr. President, I ask unanimous consent that the amendment of the distinguished Senator from New Jersey be temporarily laid aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 80

Mr. HELMS. Mr. President, I send an unprinted amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from North Carolina (Mr. HELMS) proposes an unprinted amendment numbered 80.

Mr. HELMS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

In lieu of the matter proposed to be inserted by the amendment insert the following new matter:

SHORT TITLE

SECTION 1. This Act, with the following table of contents, may be cited as the "Social Security Guarantee and Individual Retirement Security Act of 1983".

TABLE OF CONTENTS

Sec. 1. Short title.

TITLE I—INDIVIDUAL RETIREMENT SECURITY ACCOUNTS

Sec. 101. Establishment of individual retirement security accounts.

Sec. 102. Tax credit for amounts contributed to individual retirement security account.

Sec. 103. Exclusion from gross income of income earned on amounts contributed to individual retirement security account.

Sec. 104. Reduction of OASI tax and establishment of mandatory IRSA contributions.

Sec. 105. Reduction in primary insurance amount to reflect reduction in OASI tax.

TITLE II—OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE PROGRAM

Sec. 201. Certificate of guaranteed tax-exempt benefits.

Sec. 202. Annual contribution and benefit statement.

Sec. 203. Tax credit for benefit amounts to OASDI returned to trust funds.

Sec. 204. Repeal of 1985 and 1990 tax increases.

Sec. 206. Shift of cost-of-living adjustments.

Sec. 207. Proration of cost-of-living adjustment.

Sec. 208. General revenue funding for administrative costs.

Sec. 209. Crediting amounts of unnegotiated checks to trust funds.

Sec. 210. Transfer to trust funds for benefits attributable to military service before 1957.

Sec. 211. Payments to trust funds of amounts equivalent to taxes on service in the uniformed services performed after 1956.

Sec. 212. Increase in dropout years for time spent in child care.

Sec. 213. Benefits for surviving divorced spouses and disabled widows and widowers who remarry.

Sec. 214. Determination of primary insurance amount for deferred survivor benefits.

Sec. 215. Benefits for divorced spouse regardless of whether former spouse has retired.

Sec. 216. Increase in benefit amount for disabled widows and widowers.

Sec. 217. Sharing of earnings by married couples.

Sec. 218. Restrictions on payment of benefits to nonresident aliens.

Sec. 219. Due process requirements for termination of disability benefits.

Sec. 220. Repeal of earnings limitation for beneficiaries age 65 or older.

TITLE I—INDIVIDUAL RETIREMENT SECURITY ACCOUNTS

ESTABLISHMENT OF INDIVIDUAL RETIREMENT SECURITY ACCOUNTS

Sec. 101. Title II of the Social Security Act is amended by adding at the end thereof the following new section:

"ESTABLISHMENT OF INDIVIDUAL RETIREMENT SECURITY ACCOUNTS

"Sec. 234. (a) After December 31, 1993, the Secretary of Health and Human Services and the Secretary of the Treasury shall establish for each individual—

"(1) upon whom section 1401(a) or 3101 of the Internal Revenue Code of 1954 imposes a tax, and

"(2) who does not have an individual retirement security account with a qualified fiduciary pursuant to section 130(d)(1)(A)(i) of the Internal Revenue Code of 1954,

an individual retirement security account, to be maintained in the Treasury as a separate book account.

"(b)(1) The Secretary of the Treasury shall pay into the individual retirement security account established under subsection (a) or under section 130(c)(1)(A)(i) of the Internal Revenue Code of 1954 with respect to such individual an amount equal to the amount of taxes paid with respect to the wages and self-employment income of such individual under sections 1401(d), 3101(e), and 3111(d) of the Internal Revenue Code of 1954.

"(2) The Secretary shall pay such amounts into such account within 30 days of the date on which such taxes are paid.

"(c) An individual may contribute to such account amounts other than the amounts contributed to such account on his behalf by the Secretary of the Treasury under subsection (b).

"(d) The Secretary of the Treasury shall invest amounts deposited in individual retirement security accounts in obligations of

the United States, and amounts so invested shall earn interest in accordance with the terms of such obligations.

"(e) Amounts deposited in an individual retirement security account established with respect to an individual under subsection (a) may be withdrawn before such individual attains age 62 only if—

"(1) the amount withdrawn from such account is used for a purpose described in section 130(a)(2)(B) of the Internal Revenue Code of 1954, or

"(2) the amount withdrawn from such account is deposited immediately in an individual retirement security account established by such individual with a qualified fiduciary (as defined in section 130(c)(2) of the Internal Revenue Code of 1954).

"(f) The interest of an individual in the balance of an individual retirement security account established with respect to such individual pursuant to subsection (a) shall not be forfeitable."

TAX CREDIT FOR AMOUNTS CONTRIBUTED TO INDIVIDUAL RETIREMENT SECURITY ACCOUNT

Sec. 102. (a) Subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954 (relating to credits allowable against tax) is amended by inserting after section 44G the following new section: "SEC. 44H. CONTRIBUTIONS TO INDIVIDUAL RETIREMENT SECURITY ACCOUNT.

"(a) GENERAL RULE.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to 20 percent of the amounts contributed by the taxpayer to an individual retirement security account of the taxpayer during the taxable year (other than amounts paid into such account on behalf of such individual under section 234(b) of the Social Security Act).

"(b) LIMITATION.—The amount of any contributions taken into account under subsection (a) shall not exceed the amount of taxes paid by the taxpayer to the Federal Old Age and Survivors Insurance Trust Fund under section 3101 for the taxable year.

"(c) INDIVIDUAL RETIREMENT SECURITY ACCOUNT.—For purposes of this section, "the term 'individual retirement security account' shall have the meaning given to such term by section 130(c)(1)."

(b)(1) Subsection (b) of section 6401 of such Code (relating to excessive credit is treated as overpayments) is amended—

(A) by striking out "and 43 (relating to earned income credit)," and inserting in lieu thereof "43 (relating to earned income credit), and 44H (relating to contributions to individual retirement security account)," and

(B) by striking out "39 and 43" and inserting in lieu thereof "39, 43, and 44H".

(2) Paragraph (2) of section 55(f) of such Code (defining regular tax) is amended by striking out "39 and 43" and inserting in lieu thereof "39, 43, and 44H".

(c) In prescribing the forms by which any individual liable for any tax imposed by subtitle A of the Internal Revenue Code of 1954 shall make a return for taxable years beginning after December 31, 1983, the Secretary of the Treasury shall ensure that any such individual who is eligible for a credit under section 44H of such Code may claim the credit allowable under such section on any such form.

(d) The table of sections for subpart A of part IV of subchapter A of chapter 1 of such Code is amended by inserting before the item relating to section 45 the following new item:

"Sec. 44H. Contributions to individual retirement security account."

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(e) The amendments made by this section shall apply to taxable years beginning after December 31, 1983, and before January 1, 2004.

EXCLUSION FROM GROSS INCOME OF INCOME EARNED ON AMOUNTS CONTRIBUTED TO INDIVIDUAL RETIREMENT SECURITY ACCOUNT

SEC. 103. (a) Part III of subchapter B of chapter 1 of the Internal Revenue Code of 1954 (relating to items specifically excluded from gross income) is amended by redesignating section 130 as section 131 and by inserting after section 129 the following new section:

"SEC. 130. INCOME FROM INDIVIDUAL RETIREMENT SECURITY ACCOUNT.

"(a) IN GENERAL.—Gross income does not include income which—

"(1) accrues on amounts contributed to an individual retirement security account, and

"(2)(A) remains in such account until the taxpayer attains age 62, or

"(B) is withdrawn from such account before the taxpayer attains age 62 for the purchase of life insurance, health insurance, or disability insurance for the taxpayer.

"(b) ACCOUNT EXEMPT FROM TAX.—Any individual retirement security account is exempt from taxation under this subtitle.

"(c) DEFINITIONS.—For purposes of this section—

"(1) INDIVIDUAL RETIREMENT SECURITY ACCOUNT.—The term 'individual retirement security account' means an account—

"(A) which is established by—

"(i) the taxpayer with a qualified fiduciary, or

"(ii) the Secretary of Health and Human Services and the Secretary of the Treasury on behalf of the taxpayer pursuant to section 234 of the Social Security Act;

"(B) which by written agreement or applicable law provides that—

"(i) amounts may be withdrawn therefrom before the taxpayer attains age 62 only for the purposes specified in subsection (a)(2)(B), and

"(ii) the interest of the taxpayer in the balance of his account is not forfeitable; and

"(C) to which—

"(i) the taxpayer makes contributions,

"(ii) contributions are made on behalf of the taxpayer pursuant to section 2101 (e), 3111 (d), or 1401 (d), or

"(iii) contributions are made in the manner described in both clause (i) and clause (ii);

In order to ensure the taxpayer an adequate retirement income upon attaining age 62.

"(2) QUALIFIED FIDUCIARY.—The term 'qualified fiduciary' means a bank or other person who demonstrates to the satisfaction of the Secretary that the manner in which he will administer the account will be consistent with the requirements of this section. An account shall not be disqualified under this paragraph merely because a person other than the fiduciary so administering the account may be granted, in the instrument creating the account, the power to control the investment of the account funds either by directing investments (including reinvestments, disposals, and exchanges) or by disapproving proposed investments (including reinvestments, disposals, and exchanges)."

(b) The amendments made by this section shall apply to taxable years beginning after December 31, 1983.

REDUCTION OF OASI TAX AND ESTABLISHMENT OF MANDATORY IRSA CONTRIBUTIONS

SEC. 104. (a) (1) Section 3101 (a) of the Internal Revenue Code of 1954 (relating to rate of tax on employees), as amended by section 204 of this Act, is amended—

(A) by striking out the period at the end thereof and inserting in lieu thereof a semicolon; and

(B) by adding at the end thereof the following new paragraph:

"(6) With respect to wages received during the calendar year 1994, the rate shall be 4.975 percent;

"(7) with respect to wages received during the calendar year 1995, the rate shall be 4.2 percent;

"(8) with respect to wages received during the calendar year 1996, the rate shall be 4.145 percent;

"(9) with respect to wages received during the calendar year 1997, the rate shall be 3.73 percent;

"(10) with respect to wages received during the calendar year 1998, the rate shall be 3.315 percent;

"(11) with respect to wages received during the calendar year 1999, the rate shall be 2.9 percent;

"(12) with respect to wages received during the calendar year 2000, the rate shall be 2.485 percent;

"(13) with respect to wages received during the calendar year 2001, the rate shall be 2.07 percent;

"(14) with respect to wages received during the calendar year 2002, the rate shall be 1.655 percent;

"(15) with respect to wages received during the calendar year 2003, the rate shall be 1.24 percent;

"(16) with respect to wages received during the calendar year after 2003, the rate shall be .825 percent."

(2) Section 3111(a) of such Code (relating to rate of tax on employers) is amended—

(A) by striking out the period at the end thereof and inserting in lieu thereof a semicolon; and

(B) by adding at the end thereof the following new paragraphs:

"(6) with respect to wages paid during the calendar year 1994, the rate shall be 4.975 percent;

"(7) with respect to wages paid during the calendar year 1995, the rate shall be 4.2 percent;

"(8) with respect to wages paid during the calendar year 1996, the rate shall be 4.145 percent;

"(9) with respect to wages paid during the calendar year 1997, the rate shall be 3.73 percent;

"(10) with respect to wages paid during the calendar year 1998, the rate shall be 3.315 percent;

"(11) with respect to wages paid during the calendar year 1999, the rate shall be 2.9 percent;

"(12) with respect to wages paid during the calendar year 2000, the rate shall be 2.485 percent;

"(13) with respect to wages paid during the calendar year 2001, the rate shall be 2.07 percent;

"(14) with respect to wages paid during the calendar year 2002, the rate shall be 1.655 percent;

"(15) with respect to wages paid during the calendar year 2003, the rate shall be 1.24 percent;

"(16) with respect to wages paid during calendar years after 2003, the rate shall be .825 percent."

(3) Section 1401 (a) of such Code (relating to rate of tax on self-employment income) is amended—

(A) by striking out the period at the end thereof and inserting in lieu thereof a semicolon; and

(B) by adding at the end thereof the following new paragraph:

"(6) In the case of any taxable year beginning after December 31, 1993 and before

January 1, 1995, the tax shall be equal to 7.4625 percent of the amount of the self-employment income for such taxable year;

"(7) in the case of any taxable year beginning after December 31, 1994 and before January 1, 1996, the tax shall be equal to 6.3 percent of the amount of the self-employment income for such taxable year;

"(8) in the case of any taxable year beginning after December 31, 1995 and before January 1, 1997, the tax shall be equal to 6.2175 percent of the amount of the self-employment income for such taxable year;

"(9) in the case of any taxable year beginning after December 31, 1996 and before January 1, 1998, the tax shall be equal to 5.595 percent of the amount of the self-employment income for such taxable year;

"(10) in the case of any taxable year beginning after December 31, 1997 and before January 1, 1999, the tax shall be equal to 4.9725 percent of the amount of the self-employment income for such taxable year;

"(11) in the case of any taxable year beginning after December 31, 1998 and before January 1, 2000, the tax shall be equal to 4.35 percent of the amount of the self-employment income for such taxable year;

"(12) in the case of any taxable year beginning after December 31, 1999 and before January 1, 2001, the tax shall be equal to 3.7275 percent of the amount of the self-employment income for such taxable year;

"(13) in the case of any taxable year beginning after December 31, 2000 and before January 1, 2002, the tax shall be equal to 3.105 percent of the amount of the self-employment income for such taxable year;

"(14) in the case of any taxable year beginning after December 31, 2001 and before January 1, 2003, the tax shall be equal to 2.4825 percent of the amount of the self-employment income for such taxable year;

"(15) in the case of any taxable year beginning after December 31, 2002 and before January 1, 2004, the tax shall be equal to 1.86 percent of the amount of the self-employment income for such taxable year; and

"(16) in the case of any taxable year beginning after December 31, 2003, the tax shall be equal to 1.2375 percent of the amount of the self-employment income for such taxable year."

(b)(1) Section 201(b)(1) of the Social Security Act is amended by striking out all beginning with "and before January 1, 1985" through "December 31, 1989."

(2) Section 201(b)(2) of such Act is amended by striking out all beginning with "(1) 1.4250 per centum" through "December 31, 1989."

(c)(1) Section 3101 of the Internal Revenue Code of 1954 (relating to rate of tax on employees) is amended by adding at the end thereof the following new subsection:

"(e) INDIVIDUAL RETIREMENT SECURITY ACCOUNT.—In addition to other taxes, a mandatory contribution shall be made from the income of every individual to the IRSA account of such individual in an amount equal to the following percentages of the wages (as defined in section 3121 (a)) received by him with respect to employment (as defined in section 3121 (b))—

"(1) with respect to wages received during the calendar year 1994, the rate shall be 4.25 percent;

"(2) with respect to wages received during the calendar year 1995, the rate shall be 1.2 percent;

"(3) with respect to wages received during the calendar year 1996, the rate shall be 1.615 percent;

"(4) with respect to wages received during the calendar year 1997, the rate shall be 2.030 percent;

"(5) with respect to wages received during the calendar year 1998, the rate shall be 2.445 percent;

"(6) with respect to wages received during the calendar year 1999, the rate shall be 2.860 percent;

"(7) with respect to wages received during the calendar year 2000, the rate shall be 3.275 percent;

"(8) with respect to wages received during the calendar year 2001, the rate shall be 3.690 percent;

"(9) with respect to wages received during the calendar year 2002, the rate shall be 4.105 percent;

"(10) with respect to wages received during the calendar year 2003, the rate shall be 4.520 percent;

"(11) with respect to wages received during the calendar year 2003, the rate shall be 4.575 percent."

(2) Section 3111 of such Code is amended by adding at the end thereof the following new subsection:

"(d) **INDIVIDUAL RETIREMENT SECURITY ACCOUNT.**—In addition to other taxes, there is hereby imposed on every employer an excise tax, with respect to having individuals in his employ, equal to the following percentages of the wages (as defined in section 3121 (a) and (f)) paid by him with respect to employment (as defined in section 3121 (b))—

"(1) with respect to wages paid during the calendar year 1994, the rate shall be .425 percent;

"(2) with respect to wages paid during the calendar year 1995, the rate shall be 1.2 percent;

"(3) with respect to wages paid during the calendar year 1996, the rate shall be 1.615 percent;

"(4) with respect to wages paid during the calendar year 1997, the rate shall be 2.030 percent;

"(5) with respect to wages paid during the calendar year 1998, the rate shall be 2.445 percent;

"(6) with respect to wages paid during the calendar year 1999, the rate shall be 2.860 percent;

"(7) with respect to wages paid during the calendar year 2000, the rate shall be 3.275 percent;

"(8) with respect to wages paid during the calendar year 2001, the rate shall be 3.690 percent;

"(9) with respect to wages paid during the calendar year 2002, the rate shall be 4.105 percent;

"(10) with respect to wages paid during the calendar year 2003, the rate shall be 4.520 percent;

"(11) with respect to wages paid during the calendar years after 2003, the rate shall be 4.575 percent."

(3) Section 1401 of such Code is amended by adding at the end thereof the following new subsection:

"(d) **INDIVIDUAL RETIREMENT SECURITY ACCOUNT.**—In addition to other taxes, there shall be made for each taxable year, from the self-employment income of every individual, a mandatory contribution to the IRSA account of such individual as follows:

"(1) in the case of any taxable year beginning after December 31, 1993, and before January 1, 1995, the contribution shall be equal to .6375 percent of the amount of the self-employment income for such taxable year;

"(2) in the case of any taxable year beginning after December 31, 1994, and before January 1, 1996, the contribution shall be equal to 1.8 percent of the amount of the self-employment income for such taxable year;

"(3) in the case of any taxable year beginning after December 31, 1995, and before

January 1, 1997, the contribution shall be equal to 2.4225 percent of the amount of the self-employment income for such taxable year;

"(4) in the case of any taxable year beginning after December 31, 1996, and before January 1, 1998, the contribution shall be equal to 3.045 percent of the amount of the self-employment income for such taxable year;

"(5) in the case of any taxable year beginning after December 31, 1997, and before January 1, 1999, the contribution shall be equal to 3.6675 percent of the amount of the self-employment income for such taxable year;

"(6) in the case of any taxable year beginning after December 31, 1998, and before January 1, 2000, the contribution shall be equal to 4.29 percent of the amount of the self-employment income for such taxable year;

"(7) in the case of any taxable year beginning after December 31, 1999, and before January 1, 2001, the contribution shall be equal to 4.9125 percent of the amount of the self-employment income for such taxable year;

"(8) in the case of any taxable year beginning after December 31, 2000, and before January 1, 2002, the contribution shall be equal to 5.535 percent of the amount of the self-employment income for such taxable year;

"(9) in the case of any taxable year beginning after December 31, 2001, and before January 1, 2003, the contribution shall be equal to 6.1575 percent of the amount of the self-employment income for such taxable year;

"(10) in the case of any taxable year beginning after December 31, 2002, and before January 1, 2004, the contribution shall be equal to 6.75 percent of the amount of the self-employment income for such taxable year; and

"(11) in the case of any taxable year beginning after December 31, 2003, the contribution shall be equal to 6.8625 percent of the amount of the self-employment income for such taxable year."

CHANGE IN PRIMARY INSURANCE AMOUNT TO REFLECT REDUCTION IN OASI TAX

SEC. 105. Section 215 of the Social Security Act is amended by adding at the end thereof the following new subsection:

"(j)(1) For purposes of determining old-age and survivors insurance benefits based upon the wages and self-employment income of an individual with respect to whom contributions are made to an individual security retirement account, such primary insurance amount shall be reduced by an amount that bears the same ratio to such primary insurance amount (as determined without regard to this subsection) as the IRSA offset amount determined with respect to such individual bears to the present value of the OASI annuity amount determined with respect to such individual.

"(2) For purposes of this subsection—

"(A) The term 'individual retirement security account' shall have the meaning given to such term in section 130(c)(1) of the Internal Revenue Code of 1954.

"(B) The term 'IRSA offset amount' means, with respect to an individual described in paragraph (1), an amount equal to the sum of—

"(i) amounts—

"(I) contributed by such individual to the individual retirement security account established with respect to such individual, and

"(II) taken into account for purposes of determining a credit allowed to such individual under section 44H of the Internal Revenue Code of 1954,

(compounded, for the period beginning with the date on which the return in which such credit was claimed was required to be filed and ending with the date on which such individual retires, by the social security yield rate determined with respect to such individual); and

"(ii) amounts paid to the individual retirement security account of such individual under sections 1401(d), 1301(e), and 1311(d) of the Internal Revenue Code of 1954 (compounded, for the periods beginning with the date on which such amount was paid into such account and ending with the date on which such individual retires, by the social security yield rate determined with respect to such individual);

"(C)(i) The term 'present value of OASI benefit annuity amount' means an amount that would, if invested at a rate of interest equal to the rate of interest payable on United States Treasury bills at the beginning of the period of entitlement determined with respect to the wages and self-employment income of an individual, produce by the end of such period of entitlement, an amount equal to the amount of benefits which would be payable under section 202 on the basis of such wages and self-employment income (but for the application of paragraph (1)) for such period of entitlement.

"(ii) In determining the amount of benefits which would be payable for the period of entitlement determined with respect to the wages and self-employment income of an individual, the rate of the cost-of-living increase under subsection (i) for the cost-of-living computation quarter immediately preceding the beginning of such period of entitlement shall be assumed to apply to each base quarter in such period of entitlement.

"(D) The term 'period of entitlement' means, with respect to the wages and self-employment income of an individual described in paragraph (1), the period beginning with the date on which such individual retires and ending with the date on which such individual would attain the expectation of life (determined in accordance with the official life table and in accordance with the applicable provisions of this Act as in effect on the first day of such period).

"(E) The term 'social security yield rate' means, with respect to an individual described in paragraph (1), the rate of yield that, if earned on the OASI tax amount determined with respect to such individual, for the period beginning with the date on which such taxes were paid and ending with the date on which such individual retires, would produce an amount equal to the present value of the OASI benefit annuity amount determined with respect to such individual.

"(F) The term 'OASI tax amount' means with respect to an individual described in paragraph (1), the amount of taxes paid to the Federal Old-Age and Survivors Insurance Trust Fund with respect to such individual under sections 3101(a), 3111(a), and 1401(a) of the Internal Revenue Code of 1954 during the 80 highest quarters of coverage for such individual.

"(G) The term 'cost-of-living computation quarter' shall have the meaning given to such term in subsection (i)(1)(B).

"(H) The term 'base quarter' shall have the meaning given to such term in subsection (i)(1)(A).

"(I) The term 'quarter of coverage' shall have the meaning given to such term in section 213(a)(2).

"(J) The term 'official life table' means the life table for total persons in the United States that is prepared decennially by the National Center for Health Statistics for

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the 3-year period centering around the year of the decennial population census."

TITLE II—OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE PROGRAM

CERTIFICATE OF GUARANTEED TAX-EXEMPT BENEFITS

SEC. 201. (a) Title II of the Social Security Act is amended by adding at the end thereof the following new section:

"CERTIFICATE OF GUARANTEED TAX-EXEMPT BENEFITS

"**SEC. 235.** (a) The Secretary shall issue to each individual who is entitled to an old-age insurance benefit, or who has attained age 62 and is entitled to any other benefit under this title, a certificate of guaranteed tax-exempt benefits. Such certificate shall be issued at the time such individual first becomes entitled to a benefit under this title, or attains age 62, whichever is later.

"(b) The certificate issued pursuant to this section shall pledge the full faith and credit of the United States to guarantee that benefits shall be paid to such individual (and to other individuals on the basis of such individual's wages and self-employment income) under the provisions of this title as in effect on the date of issuance of such certificate (or as such benefits may be increased thereafter by Congress or under any automatic cost-of-living adjustment), and that such benefits shall not be subject to the tax on income under subtitle A of the Internal Revenue Code of 1954.

"(c) The certificate issued under this section shall also contain—

"(1) a statement of the total amount of the taxes paid by such individual and his employers under sections 3101(a), 3111(a), and 1401(a) of the Internal Revenue Code of 1954 with respect to such individual's wages and self-employment income; and

"(2) a statement that the certificate is nonnegotiable and nontransferable."

"(b) The amendment made by subsection (a) shall apply to all individuals entitled to a monthly benefit under title II of the Social Security Act on or after the date of the enactment of this Act. The Secretary shall issue such certificates to those individuals who have attained age 62 and are entitled to such benefits on the date of the enactment of this Act within six months after such date of enactment, in the same manner as if they had first become entitled to an old-age insurance benefit on such date of enactment.

ANNUAL CONTRIBUTION AND BENEFIT STATEMENT

SEC. 202. (a) Section 205(c) of the Social Security Act is amended by adding at the end thereof the following new paragraph:

"(9)(A) The Secretary shall issue an annual statement to each individual having a social security account number which shall indicate the amount of the taxes paid by such individual under sections 3101(a) and 1401(a) of the Internal Revenue Code of 1954 with respect to his wages and self-employment income for such year. The statement shall be issued prior to March 31 with respect to the wages and self-employment income for the preceding calendar year."

"(B) The annual statement issued under subparagraph (A) shall also include a chart developed by the Secretary which shall list the approximate amount of the primary insurance amount of an individual who will attain age 65 during the succeeding 49 year period (broken down into such incremental time periods as the Secretary determines to be appropriate), based on current annual earnings levels (broken down into increments of \$5,000) from covered employment, and based upon the projections of future

wage and price levels then being used by the Secretary to predict long range actuarial status of the Federal Old-Age and Survivors Insurance Trust Fund. Such chart shall also show the amount of the taxes which are payable at each stated earnings level under section 3101(a) of the Internal Revenue Code of 1954. The chart shall also indicate that the benefit level of a worker aged 65 is equal to the primary insurance amount, and shall indicate the proportion of such primary insurance amount which is payable as an old-age or survivors benefit to other persons, in addition to such worker.

"(C) For the year in which an individual attains age 62, the Secretary shall also issue to each such individual a statement showing the amount of the monthly benefit for which such individual is eligible for the first month after attaining such age."

"(b) The amendment made by subsection (a) shall be effective with respect to calendar year 1983 and each calendar year thereafter.

TAX CREDIT FOR BENEFIT AMOUNTS RETURNED TO OASDI TRUST FUNDS

SEC. 203. (a) Subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954 (relating to credits allowable against tax) is amended by inserting after section 44H (as added by section 102 of this Act) the following new section:

"SEC. 44I. BENEFIT AMOUNTS RETURNED TO OASDI TRUST FUNDS.

"(a) **GENERAL RULE.**—In the case of an individual, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the amount of social security benefits which are—

"(1) paid to the taxpayer from the Federal Old Age and Survivors Insurance Trust Fund or the Federal Disability Insurance Trust Fund; and

"(2) returned by the taxpayer to such Trust Fund,

during such taxable year.

"(b) **LIMITATION.**—The amount of any credit allowed to a taxpayer under subsection (a) shall not exceed—

"(1) \$100, or

"(2) in the case of a married individual filing a joint return, \$200,

for a taxable year.

"(c) **SOCIAL SECURITY BENEFIT.**—For purposes of this section, the 'social security benefit' means any amount paid to the taxpayer by reason of entitlement to a monthly benefit under title II of the Social Security Act."

"(b)(1) Subsection (b) of section 6401 of such Code (relating to excessive credit is treated as overpayments) is amended—

"(A) by striking out "and 44H (relating to contributions to individual retirement security account)", and inserting in lieu thereof "44H (relating to contributions to individual retirement security account), and 44I (relating to benefit amounts returned to OASDI trust funds);", and

"(B) by striking out "43 and 44H" and inserting in lieu thereof "43, 44H, and 44I".

"(2) Paragraph (2) of section 85(f) of such Code (defining regular tax) is amended by striking out "43 and 44H" and inserting in lieu thereof "43, 44H, and 44I".

"(c) The table of sections for subpart A of part IV of subchapter A of chapter 1 of such Code is amended by inserting before the item relating to section 45 the following new item:

"Sec. 44I. Benefit amounts returned to OASDI trust funds."

"(d)(1) Social security benefits returned to the Treasury of the United States pursuant to section 44I of the Internal Revenue Code

of 1954 shall be credited to the trust fund from which such benefits were paid.

"(2) For purposes of this subsection, the term "social security benefit" shall have the meaning given to such term in section 44I(c) of such Code.

"(e) The amendments made by this section shall apply to taxable years beginning after December 31, 1983.

REPEAL OF 1985 AND 1990 TAX INCREASES

SEC. 204. (a) Section 1401(a) of the Internal Revenue Code of 1954 is amended by inserting "and" at the end of paragraph (4) and by striking out paragraphs (5), (6), and (7) and inserting in lieu thereof the following:

"(5) in the case of any taxable year beginning after December 31, 1981 and before January 1, 1994, the tax shall be equal to 8.05 percent of the amount of the self-employment income for such taxable year."

"(b) Section 3101(a) of such Code is amended by inserting "and" at the end of paragraph (4) and by striking out paragraphs (5), (6), and (7) and inserting in lieu thereof the following:

"(5) with respect to wages received during the calendar years 1983 through 1993, the rate shall be 5.40 percent."

"(c) Section 3111(a) of such Code is amended by inserting "and" at the end of paragraph (4) and by striking out paragraphs (5), (6), and (7) and inserting in lieu thereof the following:

"(5) with respect to wages paid during the calendar years 1983 through 1993, the rate shall be 5.40 percent."

COVERAGE OF ALL FEDERAL EMPLOYEES

SEC. 205. (a) Section 210(a) of the Social Security Act is amended—

"(1) by repealing paragraph (5); and

"(2) by amending paragraph (6) to read as follows:

"(6) Service performed in the employ of the United States or any instrumentality of the United States if such service is performed—

"(A) in a penal institution of the United States by an inmate thereof;

"(B) by any individual as an employee included under section 5351(2) of title 5, United States Code (relating to certain interns, student nurses, and other student employees of hospitals of the Federal Government), other than as a medical or dental intern or a medical or dental resident in training; or

"(C) by any individual as an employee serving on a temporary basis in case of fire, storm, earthquake, flood, or other similar emergency;"

"(b) Section 210(p) of such Act is amended—

"(1) by inserting "performed prior to January 1, 1984" after "any service"; and

"(2) by inserting ", as in effect in January 1983," after "provisions".

"(c) Section 3121(b) of the Internal Revenue Code of 1954 is amended—

"(1) by repealing paragraph (5); and

"(2) by amending paragraph (6) to read as follows:

"(6) service performed in the employ of the United States or any instrumentality of the United States if such service is performed—

"(A) in a penal institution of the United States by an inmate thereof;

"(B) by any individual as an employee included under section 5351(2) of title 5, United States Code (relating to certain interns, student nurses, and other student employees of hospitals of the Federal Government), other than as a medical or dental intern or a medical or dental resident in training; or

"(C) by any individual as an employee serving on a temporary basis in case of fire, storm, earthquake, flood, or other similar emergency".

(d)(1) Section 3121 of the Internal Revenue Code of 1954 is amended by striking out subsection (u) thereof.

(2) Section 1402(b) of such Code is amended in the second sentence thereof by inserting "and" before "(B)" and by striking out ", and (C)" and all that follows through "3111(b)".

(3) Section 3122 of such Code is amended by striking out "including service which is medicare qualified Federal employment (as defined in section 3121(u)(2))."

(e) The amendments made by this section shall be effective with respect to remuneration paid after December 31, 1983.

SHIFT OF COST-OF-LIVING ADJUSTMENTS

SEC. 206. (a)(1) Section 215(i)(2)(A)(ii) of the Social Security Act is amended by striking out "June" and inserting in lieu thereof "September".

(2) Section 215(i)(2)(A)(iii) of such Act is amended by striking out "May" and inserting in lieu thereof "August".

(3) Section 215(i)(2)(B) of such Act is amended by striking out "May" each place it appears and inserting in lieu thereof in each instance "August".

(4) Section 203(f)(8)(A) of such Act is amended by striking out "June" and inserting in lieu thereof "September".

(5) Section 230(a) of such Act is amended by striking out "June" and inserting in lieu thereof "September".

(6) Section 215(i)(2) of such Act as in effect in December 1978, and as applied in certain cases under the provisions of such Act as in effect after December 1978, is amended by striking out "June" in subparagraph (A)(ii) and inserting in lieu thereof "September", and by striking out "May" each place it appears in subparagraph (B) and inserting in lieu thereof in each instance "August".

(7) Section 202(m) of such Act (as it applies in certain cases by reason of section 2 of Public Law 97-123) is amended by striking out "May" and inserting in lieu thereof "August".

(8) The amendments made by this subsection shall apply with respect to cost-of-living increases determined under section 215(i) of the Social Security Act for years after 1982.

(b)(1) Section 215(i)(1)(A) of the Social Security Act is amended by striking out "March 31" and inserting in lieu thereof "June 30", and by striking out "1974" and inserting in lieu thereof "1982".

(2) Section 215(i)(1)(A) of such Act as in effect in December 1978, and as applied in certain cases under the provisions of such Act as in effect after December 1978, is amended by striking out "March 31" and inserting in lieu thereof "June 30".

(3) The amendments made by this subsection shall apply with respect to cost-of-living increases determined under section 215(i) of the Social Security Act for years after 1983.

(c) Section 215(i)(4) of such Act is amended by inserting ", and as amended by section 201 (a)(6) and (b)(2) of the Social Security Amendments of 1983," after "as in effect in December 1978".

PRORATION OF COST-OF-LIVING ADJUSTMENT

SEC. 207. (a) Section 215(i)(2)(A)(ii) of the Social Security Act is amended, in the second sentence, by inserting before the semicolon the following: ", and by adjusting such amount as required by paragraph (5) in the case of the initial cost-of-living increase".

(b) Section 215(i) of such Act is amended by adding at the end thereof the following new paragraph:

"(5)(A) The primary insurance amount, maximum benefit amount under section 203(a), and benefit amount under section 227 or 228 of any individual for the initial cost-of-living increase (as defined in subparagraph (B)(i)) shall be determined under paragraph (2)(A)(ii) by substituting for the percentage increase in the Consumer Price Index otherwise applicable under such paragraph, a percentage equal to—

"(i) such otherwise applicable percentage, multiplied by the number of months in the initial cost-of-living computation period (as defined in subparagraph (B)(ii)) which follow the month in which such individual becomes eligible for an old-age or disability insurance benefit, dies, or (in the case of benefits under section 227 or 228) becomes eligible for such benefit, divided by

"(ii) the number of months in such initial cost-of-living computation period.

"(B) For purposes of this paragraph—

"(i) the term 'initial cost-of-living increase' means the first increase under this subsection applicable to the primary insurance amount, maximum benefit amount under section 203 (a), or benefit amount under section 227 or 228 of such individual; except that if a new primary insurance amount is determined with respect to an individual previously entitled to a disability insurance benefit (as described in subsection (a)(2)(C)), the first increase under this subsection applicable to such new primary insurance amount and maximum benefit amount shall also be an 'initial cost-of-living increase'; and

"(ii) the term 'initial cost-of-living computation period' means the period ending with the last day of the cost-of-living computation quarter (as determined under paragraph (1)(B)) used for purposes of the initial cost-of-living increase, and beginning with the first day of the quarter following (I) the most recent calendar quarter prior to such cost-of-living computation quarter which was a base quarter under paragraph (1)(A)(ii), or (II) if later, the most recent prior cost-of-living computation quarter."

(c) The amendments made by this section shall be effective with respect to any "initial cost-of-living increase" (as defined in section 215(i)(5) of the Social Security Act) occurring after the date of the enactment of this Act.

GENERAL REVENUE FUNDING FOR ADMINISTRATIVE COSTS

SEC. 208. (a) Section 201 (g) of the Social Security Act is amended—

(1) by striking out paragraph (1);

(2) in paragraph (93), by striking out "(2)"; and

(3) by redesignating paragraphs (2) and (3) as paragraphs (1) and (2).

(b) The amendments made by this section shall be effective with respect to costs incurred after the date of the enactment of this Act.

CREDITING AMOUNTS OF UNNEGOTIATED CHECKS TO TRUST FUNDS

SEC. 209. (a) The Secretary of the Treasury shall take such actions as may be necessary to ensure that amounts of checks for benefits under title II of the Social Security Act which have not been presented for payment within a reasonable length of time (not to exceed twelve months) after issuance are credited to the Federal Old-Age and Survivors Insurance Trust Fund or the Federal Disability Insurance Trust Fund, whichever may be the fund from which the check was issued. Amounts of any such check shall be recharged to the fund from which they were issued if payment is subsequently made on such check.

(b)(1) The Secretary of the Treasury shall transfer from the general fund of the Treasury to the Federal Old-Age and Survivors Insurance Trust Fund and to the Federal Disability Insurance Trust Fund, as appropriate, such sums as may be necessary to reimburse such Trust Funds in the total amounts of all currently unnegotiated benefit checks. After the amounts appropriated by this subsection have been transferred to the Trust Funds, the provisions of subsection (a) shall be applicable. There are hereby appropriated into such Trust Funds such sums as may be necessary to reimburse such Trust Funds for the amount of currently unnegotiated benefit checks. The first such transfer shall be made within 30 days after the date of the enactment of this Act with respect to all such unnegotiated checks as of such date of enactment.

(2) As used in paragraph (1), the term "currently unnegotiated benefit checks" means the checks issued under title II of the Social Security Act prior to the date of the enactment of this Act, which remain unnegotiated after the twelfth month following the date on which they were issued.

TRANSFER TO TRUST FUNDS FOR BENEFITS ATTRIBUTABLE TO MILITARY SERVICE BEFORE 1957

SEC. 210. (a) Section 217(g) of the Social Security Act is amended to read as follows:

"APPROPRIATION TO TRUST FUNDS

"(g)(1) Within 30 days after the date of the enactment of the Social Security Amendments of 1983, the Secretary shall determine the amounts which are the amounts estimated to be necessary to be transferred into each of the Federal Old-Age and Survivors Insurance Trust Fund, the Federal Disability Insurance Trust Fund, and the Federal Hospital Insurance Trust Fund on such date of enactment so that each such Trust Fund will be in the same position at the close of September 30, 2015 as each such Trust Fund would otherwise be in at the close of September 30, 2015 if section 210 of this Act as in effect prior to the Social Security Act Amendments of 1950, and this section, had not been enacted (less any amounts previously transferred under the provisions of this subsection as in effect prior to the date of the enactment of the Social Security Amendments of 1983). The rate of interest to be used in initially determining such amount shall be the rate determined under section 201(d) for public debt obligations which were or could have been issued for purchase by such Trust Funds on the date of the enactment of the Social Security Amendments of 1983, and the assumptions with respect to future increases in wage and price levels shall be consistent with such rate of interest. The Secretary of the Treasury shall transfer the amounts determined under this paragraph into such Trust Funds from the general fund in the Treasury within 30 days after the date of the enactment of the Social Security Amendments of 1983. There are hereby appropriated into such Trust Funds sums equal to the amounts to be transferred in accordance with this paragraph into such Trust Funds.

"(2) The Secretary shall revise the amount determined under paragraph (1) within one year after the date of the transfer made under paragraph (1), and every five years thereafter, as warranted by data which may become available to him after the date of the transfer under paragraph (1) based upon actual benefits paid under this title and title XVIII. Any amounts determined to be needed for transfer shall be transferred annually by the Secretary of the Treasury into the appropriate Trust

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Fund from the general fund in the Treasury, or out of the appropriate Trust Fund into the general fund in the Treasury, as may be appropriate. There are authorized to be appropriated to such Trust Funds sums equal to the amounts to be transferred in accordance with this paragraph into such Trust Funds."

PAYMENTS TO TRUST FUNDS OF AMOUNTS EQUIVALENT TO TAXES ON SERVICE IN THE UNIFORMED SERVICES PERFORMED AFTER 1956

Sec. 211. (a) Section 229(b) of the Social Security Act is amended to read as follows: "(b) There are authorized to be appropriated to the Federal Old-Age and Survivors Insurance Trust Fund, the Federal Disability Insurance Trust Fund, and the Federal Hospital Insurance Trust Fund, for each fiscal year, amounts equal to the additional amounts which would be appropriated into each such Trust Fund for such fiscal year under sections 201 and 1817 of this Act if the amounts of the additional wages deemed to have been paid by reason of subsection (a) constituted remuneration for employment (as defined in section 3121(b) of the Internal Revenue Code of 1954) for purposes of the taxes imposed by sections 3101 and 3111 of the Internal Revenue Code of 1954."

(b) The amendment made by subsection (a) shall be effective with respect to wages deemed to have been paid for calendar years after 1982.

(c) (1) Within 30 days after the date of the enactment of this Act, the Secretary of Health and Human Services shall determine the amounts equal to the additional amounts which would have been appropriated into the Federal Old-Age and Survivors Insurance Trust Fund, the Federal Disability Insurance Trust Fund, and the Federal Hospital Insurance Trust Fund under sections 201 and 1817 of the Social Security Act, if the additional wages deemed to have been paid under section 229(a) of the Social Security Act prior to 1983 had constituted remuneration for employment (as defined in section 3121(b) of the Internal Revenue Code of 1954) for purposes of the taxes imposed by sections 3101 and 3111 of the Internal Revenue Code of 1954, and the amount of interest which would have been earned on such amounts if they had been so appropriated.

(2)(A) The Secretary of the Treasury shall, within 30 days after the date of the enactment of this Act, transfer into each such Trust Fund, from the general fund in the Treasury, an amount equal to the amount determined with respect to such Trust Fund under paragraph (1), less any amount appropriated into such Trust Fund under the provisions of section 229(b) of the Social Security Act prior to the date of the determination made under paragraph (1) with respect to wages deemed to have been paid for calendar years prior to 1983. There are hereby appropriated into such Trust Funds sums equal to the amounts to be transferred in accordance with this subparagraph into such Trust Funds.

(B) The Secretary shall revise the amount determined under subparagraph (A) within one year after the date of the transfer made under paragraph (1), as warranted by data which may become available to him after the date of the transfer under subparagraph (A) based upon actual benefits paid under this title and title XVIII. Any amounts determined to be needed for transfer shall be transferred by the Secretary of the Treasury into the appropriate Trust Fund from the general fund in the Treasury, or out of the appropriate Trust Fund into the general fund in the Treasury, as may be appropriate. There are authorized

to be appropriated to such Trust Funds sums equal to the amounts to be transferred in accordance with this subparagraph into such Trust Funds.

INCREASE IN DROPOUT YEARS FOR TIME SPENT IN CHILD CARE

Sec. 212. (a) Section 215 (b)(2)(A) of the Social Security Act is amended, in the third sentence thereof—

(1) by striking out "clause (ii)" each place it appears and inserting in lieu thereof in each instance "clause (i) or (ii)";

(2) by striking out "the age of 3" each place it appears and inserting in lieu thereof in each instance "the age of 6";

(3) by striking out "a combined total not exceeding 3" and inserting "a combined total not exceeding 11"; and

(4) by striking out "had no earnings as described in section 203(f)(5) in such year" and inserting in lieu thereof "had earnings in such year (as described in section 203(f)(5)) of not more than an amount equal to 50 percent of the average of the total wages (as determined by the Secretary for purposes of paragraph (3)(A)(ii)(I)) for the second calendar year preceding such year".

(b) The amendments made by this section shall apply with respect to monthly benefits payable for months beginning after the date of the enactment of this Act.

BENEFITS FOR SURVIVING DIVORCED SPOUSES AND DISABLED WIDOWS AND WIDOWERS WHO REMARRY

Sec. 213. (a)(1) Section 202(e)(3) of the Social Security Act is repealed.

(2) Section 202(a)(4) of such Act is amended to read as follows:

"(4) For purposes of paragraph (1), if—
"(A) a widow or a surviving divorced wife marries after attaining age 60, or

"(B) a disabled widow or disabled surviving divorced wife described in paragraph (1)(B)(ii) marries after attaining age 50, such marriage shall be deemed not to have occurred."

(b)(1) Section 202(f)(4) of such Act is repealed.

(2) Section 202(f)(5) of such Act is amended to read as follows:

"(5) For purposes of paragraph (1), if—
"(A) a widower marries after attaining age 60, or

"(B) a disabled widower described in paragraph (1)

"(B)(ii) marries after attaining age 50, such marriage shall be deemed not to have occurred."

(c)(1) The amendments made by subsection (a) shall be effective with respect to monthly benefits payable under title II of the Social Security Act for months after December 1983.

(2) In the case of an individual who was not entitled to a monthly benefit under title II of such Act for December 1983, no benefit shall be paid under such title by reason of such amendments unless proper application for such benefit is made.

DETERMINATION OF PRIMARY INSURANCE AMOUNT FOR DEFERRED SURVIVOR BENEFITS

Sec. 214. (a) Section 215(a) of the Social Security Act is amended by adding at the end thereof the following new paragraph:

"(3)(A) If a person is entitled to benefits under subsection (e) or (f) of section 202 on the basis of the wages and self-employment income of a deceased individual whose primary insurance amount would otherwise be determined under paragraph (1), the primary insurance amount of such deceased individual shall be determined, for purposes of determining the amount of the benefit under such subsection, as if such deceased individual died in the year in which the person entitled to benefits under such sub-

section first became eligible for such benefits or, if earlier, the year in which such deceased individual would have attained age 60 if he had not died (except that the actual year of death of such deceased individual shall be used for purposes of section 215(b)(2)(B)(ii)(II)).

"(i) is entitled to benefits under subsection (e) or (f) of section 202 on the basis of the wages and self-employment income of a deceased individual, and

"(ii) was entitled to benefits under this title on the basis of the wages and self-employment income of such deceased individual in the month before the month in which such person became eligible for the benefits described in clause (i).

the primary insurance amount of such deceased individual shall be the primary insurance amount determined under the rules which would apply (but for subparagraph (A)) or the primary insurance amount determined under subparagraph (A), whichever is larger.

"(C) For purposes of determining the maximum family benefit amount with respect to a deceased individual for whom a primary insurance amount is determined under this paragraph, the primary insurance amount of such deceased individual shall be the primary insurance amount determined under the rules which would apply (but for this paragraph) of the primary insurance amount determined under this paragraph, whichever is larger."

(b) The amendments made by subsection (a) shall apply to the benefits of individuals who become eligible for benefits under sections 202 (e) and (f) of the Social Security Act after December 1983.

BENEFITS FOR DIVORCED SPOUSE REGARDLESS OF WHETHER FORMER SPOUSE HAS RETIRED

Sec. 215. (a) Section 202(b) of the Social Security Act is amended by adding at the end thereof the following new paragraph:

"(5) For purposes of determining the entitlement of a divorced wife to a benefit under this subsection and the amount of such benefit, in the case of a wife who has been divorced from her former husband for a period of not less than 24 months—

"(A) such former husband shall be deemed to be entitled to an old-age insurance benefit if he would be entitled to such a benefit if he applied therefor; and

"(B) the amount of such benefit for such divorced wife shall be determined without regard to reductions which are or would be made under section 203 on account of work performed by such former husband."

(b)(1) The amendment made by subsection (a) shall be effective with respect to monthly benefits payable under title II of the Social Security Act for months after December 1983.

(2) In the case of an individual who was not entitled to a monthly benefit under title II of such Act for December 1983, no benefit shall be paid under such title by reason of such amendment unless proper application for such benefit is made.

INCREASE IN BENEFIT AMOUNT FOR DISABLED WIDOWS AND WIDOWERS

Sec. 216. (a)(1) Section 202(q)(1) of the Social Security Act is amended by striking out the semicolon at the end of subparagraph (B)(ii) and all that follows and inserting in lieu thereof a period.

(2) Section 202(q)(6) of such Act is amended to read as follows:

"(6) For purposes of this subsection, the 'reduction period' for an old-age, wife's husband's, widow's, or widower's insurance benefit is the period beginning—

"(A) in the case of an old-age or husband's insurance benefit, with the first day of the

first month for which such individual is entitled to such benefit,

"(B) in the case of a wife's insurance benefit, with the first day of the first month for which a certificate described in paragraph (5)(A)(i) is effective, or

"(C) in the case of a widow's or widower's insurance benefit, with the first day of the first month for which such individual is entitled to such benefit or the first day of the month in which such individual attains age 60, whichever is later.

and ending with the last day of the month before the month in which such individual attains retirement age."

(3) Section 202(q)(7) of such Act is amended by striking out the matter preceding subparagraph (A) and inserting in lieu thereof the following:

"(7) For purposes of this subsection, the 'adjusted reduction period' for an old-age, wife's, husband's, widow's, or widower's insurance benefit is the reduction period prescribed in paragraph (6) for such benefit, excluding—"

(4) Paragraphs (1)(B)(i), (3)(EX)(ii), and (3)(F)(ii) of section 202(q) of such Act are each amended by striking out "(6)(A)" and inserting in lieu thereof in each instance "(6)".

(5) Section 202(q)(3)(G) of such Act is amended by striking out "paragraph (6)(A) (or, if such paragraph does not apply, the period specified in paragraph (6)(B))" and inserting in lieu thereof "paragraph (6)".

(6) Section 202(q)(10) of such Act is amended—

(A) by striking out "or an additional adjusted reduction period";

(B) in subparagraphs (B)(i), (C)(i), and (C)(ii) by striking out "plus the number of months in the adjusted additional reduction period multiplied by 43/240 of 1 percent"; and

(C) in subparagraph (B)(ii), by striking out "plus the number of months in the additional reduction period multiplied by 43/240 of 1 percent".

(b)(1) The amendments made by this section shall be effective with respect to monthly benefits under title II of the Social Security Act for months after December 1983.

(2) In the case of an individual who was not entitled to a monthly benefit under title II of such Act for December 1983, no benefit shall be paid under such title by reason of such amendments unless proper application for such benefit is made.

SHARING OF EARNINGS BY MARRIED COUPLES

SEC. 217. (a) Title II of the Social Security Act is amended by adding at the end thereof the following new section:

"SHARING OF EARNINGS BY MARRIED COUPLES

"Sec. 236. (a)(1) The combined earnings of an individual and his or her spouse, to the extent that such earnings are attributable to the period of their marriage (as determined under paragraph (2)), shall be divided equally between them and shared in accordance with this section for purposes of determining their eligibility for old-age or disability insurance benefits and the amount of the old-age or disability insurance benefits to which each of them is or may become separately entitled, if they are divorced, and either of them elects, in such manner and form as the Secretary shall prescribe but in any event within 12 months after the divorce becomes final, to have such combined earnings so divided and shared.

"(2) For purposes of this section with respect to any two individuals who are married to each other and are then divorced, the 'period of their marriage' is the period—

"(A) beginning with the first day of the calendar year in which their marriage occurred, and

"(B) ending with the last day of the calendar year in which their divorce becomes final.

"(b)(1) Except to the extent otherwise provided in subsections (c) and (d), whenever two individuals are to have their combined earnings divided and shared in accordance with subsection (a) they shall each be credited for all of the purposes of this title with wages and self-employment income, for each calendar year for which either of them is credited with any wages and self-employment income without regard to this section during the period of their marriage, in an amount equal to 50 percent of the combined total of the wages and self-employment income otherwise credited to both of them for that year.

"(2) Nothing in this section shall have an effect upon the crediting of wages and self-employment income to any individual for any calendar year not included in the period of such individual's marriage; but to the extent that wages and self-employment income are credited pursuant to this section the other provisions of this title specifying the manner in which wages and self-employment income are to be credited shall (to the extent inconsistent with this section) not be applicable.

"(c) This section shall not apply with respect to any surviving divorced spouse for any month, and any widow's, widower's, or mother's insurance benefit payable to which such spouse is entitled under this title for any month shall be determined as though this section has not been enacted, if the application of this section would result in either divorced spouse becoming ineligible for any benefit under this title by reason of an insufficient number of quarters of coverage.

"(d) Notwithstanding any of the preceding provisions of this section—

"(1) benefits payable under subsection (d) or (h) of section 202 on the basis of the wages any self-employment income of any individual, and benefits payable under subsection (b), (c), (e), (f), or (g) of such section 202 (on the basis of such wages and self-employment income) to any person other than a divorced spouse or surviving divorced spouse who has shared in or been credited with a part of such individual's earnings under subsections (a) and (b) of this section, shall be determined as though this section had not been enacted if (A) the application of this section has changed such individual's primary insurance amount from what it would otherwise have been, and (B) the crediting of wages and self-employment income to such individual and his or her former spouse without regard to this section would increase the amount of such benefits; and

"(2) in the application of section 203(a) (relating to maximum family benefits) with respect to benefits payable on the basis of the wages and self-employment income of any individual, where all or any part of the wages and self-employment income of such individual and his or her former spouse was credited to them in accordance with this section, the primary insurance amount of such individual (and the crediting of his or her wages and self-employment income) shall be determined in accordance with this section but the benefits payable to any other person on the basis of the wages and self-employment income of such individual shall be determined as though this section had not been enacted and as though such person had made application for any benefit or benefits to which he or she would (upon such application) be entitled."

(b) Section 205(c)(5) of the Social Security Act is amended—

(1) by striking out "or" at the end of subparagraph (I);

(2) by striking out the period at the end of subparagraph (J) and inserting in lieu thereof "; or"; and

(3) by adding at the end thereof the following new subparagraph:

"(K) to reflect any changes in the crediting of wages and self-employment income which may be necessitated by section 236."

(c) Section 215(b) of such Act is amended by adding at the end thereof the following new paragraph:

"(5) The determination of the wages and self-employment income to be credited to an individual under this subsection shall in all cases be made after the application of section 236."

(d) The amendments made by this section shall apply only with respect to divorces occurring or becoming final after the date of the enactment of this Act, and with respect to the payment of benefits for months after such date of enactment.

RESTRICTIONS ON PAYMENT OF BENEFITS TO NONRESIDENT ALIENS

SEC. 18. (a) Section 202(t)(1) of the Social Security Act is amended to read as follows:

"(1) (A) Notwithstanding any other provision of this title, any monthly benefits otherwise payable under this section or section 223 for any month to any individual who is not a citizen or national of the United States, if such individual—

"(i) has not been lawfully admitted to the United States for permanent residence, or

"(ii) has been outside the United States for a period of more than six consecutive calendar months while entitled to benefits under this title;

and any monthly benefits otherwise payable to any person for any month under this section or section 223 on the basis of the wages and self-employment income of an individual who is himself subject to the preceding provisions of this subparagraph for that month, shall be subject to the limitations set forth in subparagraph (B).

"(B) The total amount of any monthly benefits described in subparagraph (A) payable to an individual described in such subparagraph shall be limited to—

"(i) in the case of an individual entitled to such benefits who is the only individual so entitled to benefits on the basis of the wages and self-employment income upon which such benefits are payable, an amount equal to the sum of—

"(I) the total amount of taxes paid under sections 3101 and 1401 of the Internal Revenue Code of 1954 (or the corresponding provisions of prior law) with respect to such wages and self-employment income; and

"(II) the interest payable on the taxes so paid (computed at the prevailing rate of interest payable on United States Treasury bills for the period after such taxes were paid and before such individual became entitled to such benefits); or

"(ii) in the case of an individual entitled to such benefits who is one of several individuals so entitled to benefits on the basis of the wages and self-employment income upon which such benefits are payable, an amount equal to that portion of such taxes and such interest which is attributable to such individual's entitlement, as determined in regulations by the Secretary.

After monthly benefits totalling such amount have been paid, such individual shall have no further entitlement to benefits based upon the same wages and self-employment income.

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"(C) For purposes of subparagraph (B) benefits paid under section 202 or 223 before the date of enactment of this paragraph to an individual to whom subparagraph (A) applies shall be taken into account in determining the total amount of monthly benefits paid to such individual.

"(D) Subparagraph (A)(i) shall not apply with respect to any individual within the United States if the benefit involved is payable to such individual as the wife, husband, child, or survivor of a citizen or national of the United States or of an alien lawfully admitted to the United States for permanent residence.

"(E) Subparagraph (A)(ii) shall not apply with respect to any individual if—

"(i) the benefit involved is payable to such individual as the dependent or survivor of a citizen or national of the United States who resides outside the United States and has attained age 50 (or who died outside the United States after attaining that age), and

"(ii) the spousal, filial, parental, or other relationship upon which the entitlement of such individual to such benefit is based existed at the time such citizen or national attained age 50.

"(F) The application of subparagraph (A) to an individual by reason of clause (ii) thereof shall not preclude such individual from being paid benefits under this title under an entitlement to such benefits established on the basis of wages and self-employment income other than the wages and self-employment income on the basis of which he was entitled to benefits at the time he was outside the United States for more than six consecutive months.

"(G) An individual to whom subparagraph (A) applies by reason of clause (ii) shall not, upon returning to the United States, become entitled to the benefits which would be payable to such individual (but for such subparagraph) on the basis of the wages and self-employment income with respect to which he was entitled to benefits at the time he was outside the United States for more than six consecutive months.

"(H) For purposes of this paragraph, an individual shall be considered to have been outside the United States for any calendar month if the Secretary, on the basis of information furnished to him by the Attorney General or information which otherwise comes to his attention, determines that such individual was outside the United States during all of such calendar month. In applying the preceding sentence, an individual who has been outside the United States for any period of 30 consecutive days shall be treated as remaining outside the United States until he has been in the United States for a period of 30 consecutive days.

"(I) For purposes of this paragraph, the term 'United States' (when used in either a geographical or political sense) means the States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Trust Territory of the Pacific Islands, and any other territory or possession of the United States."

(b) Paragraphs (2) and (3) of section 202(t) are repealed.

(c) Section 202(t)(4) of such Act is amended—

(1) by striking out subparagraphs (A) and (B);

(2) by redesignating subparagraphs (C), (D), and (E) as subparagraphs (A), (B), and (C); and

(3) by striking out the semicolon at the end of subparagraph (C) (as so redesignated) and all that follows and inserting in lieu thereof a period.

(d) The heading of section 202(t) of such Act is amended by adding at the end thereof

the following: "Restrictions on Payment of Benefits to Nonresident Aliens".

(e) The amendments made by this section shall apply with respect to months after the month in which this Act is enacted.

DUE PROCESS REQUIREMENTS FOR TERMINATION OF DISABILITY BENEFITS

Sec. 219. (a) Section 221(d) of the Social Security Act is amended by inserting "(1)" before "(d)" and by adding at the end thereof the following new paragraph:

"(2)(A) In any case where—

"(i) an individual is a recipient of disability insurance benefits, or of child's, widow's, or widower's insurance benefits based on disability, and

"(ii) a preliminary finding is made that the physical or mental impairment on the basis of which such benefits are payable has ceased, did not exist, or is no longer disabling (as determined in accordance with subparagraph (B)),

such benefits may not be terminated until such preliminary finding has been upheld after a hearing by the Secretary as provided in section 208(b). The Secretary shall provide opportunity for such hearing at a time and place reasonably accessible to the individual. Failure without good cause to appear at such hearing shall constitute a waiver of the right to such a hearing prior to termination.

"(B)(1) Except as provided in clause (ii), no benefits described in subparagraph (A) may be terminated on the grounds that the physical or mental impairment on the basis of which such benefit was payable has ceased, did not exist, or is no longer disabling, unless the Secretary makes a finding that there has been a medical improvement in the case of such individual's impairment such that the individual is no longer under a disability under the standards for disability in effect at the time of such prior decision, or that the prior decision that such individual was under a disability was clearly erroneous under the standards for disability in effect at the time of such prior decision.

"(ii) Clause (i) shall not apply in the case of a termination of benefits based upon a finding made in accordance with section 223(d)(4) that services performed or earnings derived from services demonstrate an individual's ability to engage in substantial gainful activity, or to a termination based on a finding of fraud."

(b) Section 223 of such Act is amended by striking out subsection (g).

(c) Section 205(b) of such Act is amended by striking out "(1)" after "(b)" and by striking out paragraph (2).

(d) Section 5 of Public Law 97-455 is repealed.

(e) The amendments made by this section shall apply with respect to determinations (that individuals are not entitled to benefits) made after the date of the enactment of this Act.

REPEAL OF EARNINGS LIMITATION FOR BENEFICIARIES AGE 65 OR OLDER

Sec. 220. (a) Section 203(c)(1) of the Social Security Act is amended by striking out "seventy" and inserting in lieu thereof "65".

(b) The last sentence of section 203(c) of such Act is amended by striking out "nor shall any deduction" and all that follows and inserting in lieu thereof "nor shall any deduction be made under this subsection from any widow's or widower's insurance benefits if the widow, surviving divorced wife, widower, or surviving divorced husband involved became entitled to such benefit prior to attaining age 50."

(c) Section 203(d)(1) of such Act is amended by striking out "seventy" and inserting in lieu thereof "65".

(d) Section 203(f)(1) of such Act is amended—

(1) in clause (B), by striking out "seventy" and inserting in lieu thereof "65";

(2) by amending clause (D) to read as follows: "(D) for which such individual is entitled to widow's or widower's insurance benefits if such individual became so entitled prior to attaining age 60"; and

(3) by striking out "the applicable exempt amount" each place it appears and inserting in lieu thereof in each instance "the exempt amount".

(e) Section 203(f)(3) of such Act is amended—

(1) by striking out "applicable exempt amount" and inserting in lieu thereof "exempt amount"; and

(2) by striking out "70" and inserting in lieu thereof "65".

(f) Section 203(f)(4)(B) of such Act is amended by striking out "applicable exempt amount" and inserting in lieu thereof "exempt amount".

(g) Section 203(f)(5)(A) of such Act is amended by striking out "exempt amounts (separately stated for individuals described in subparagraph (D) and for other individuals) which are to be applicable" and inserting in lieu thereof "exempt amount which is to be applicable".

(h) Section 203(f)(5)(B) of such Act is amended—

(1) by striking out "Except as otherwise provided in subparagraph (D), the exempt amount which is applicable to individuals described in such subparagraph and the exempt amount which is applicable to other individuals, for each month of a particular taxable year, shall each be" and inserting in lieu thereof "The exempt amount for each month of a particular taxable year shall be";

(2) in clause (i), by striking out "corresponding"; and

(3) in the matter following clause (ii), by striking out "an exempt amount" and inserting in lieu thereof "the exempt amount".

(i) Section 203(f)(6) of such Act is amended by striking out subparagraph (D) thereof.

(j) Section 203(h)(1)(A) of such Act is amended—

(1) by striking out "applicable exempt amount" and inserting in lieu thereof "exempt amount"; and

(2) by striking out "78" each place it appears and inserting in lieu thereof in each instance "65".

(k) Section 203(j) of such Act is amended—

(1) by striking out "Seventy" in the heading thereof and inserting in lieu thereof "Sixty-five"; and

(2) by striking out "seventy" and inserting in lieu thereof "65".

(l) Section 202(w)(2) of such Act is amended by inserting "prior to January 1, 1984" after "the total number of months".

(m) The amendments made by this section shall be effective with respect to taxable years beginning on or after January 1, 1984.

Mr. STENNIS. Mr. President, what is the pending matter before the Senate?

The PRESIDING OFFICER. The pending question is the amendment of the Senator from North Carolina.

Mr. DOLE. Mr. President, parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. DOLE. We are back on the social security bill?

The PRESIDING OFFICER. The Senator is absolutely correct.

The Senator from North Carolina.

Mr. HELMS. Mr. President, the amendment I am offering today substitutes for the pending amendment the provisions of S. 541, the Social Security Guarantee and Individual Retirement Security Act of 1983.

Mr. President, S. 541 is the bill I introduced this past month to strengthen the social security system and to guarantee once and for all the retirement security of elderly Americans.

Before I discuss the provisions of the pending amendment I want to commend my very good friend, the distinguished Senator from Kansas (Mr. Dole) for his remarkable leadership in this effort to salvage social security.

As all Senators know who followed the deliberations of the so-called Social Security Reform Commission, there were many and divergent viewpoints about which way to proceed. So what emerged was a compromise which was not really acceptable to any member of the Commission. I do not think, once the American people learn of the provisions, that they will find it acceptable either. But in any case we should all be grateful to BOB DOLE's tireless search for the solution to the immediate funding problems of the system.

Also, I would pay my genuine respects to the distinguished Senator from Colorado (Mr. ARMSTRONG) for his diligent study of this matter and the enormous amount of work that he did—truly an incredible job under the circumstances. And I am grateful to Senator DOLE and Senator ARMSTRONG and others.

I would say, furthermore, that every member of the Finance Committee deserves our gratitude for offering the American people a better reform package than the one recommended by the National Commission on Social Security Reform. That is not to say that the Senator from North Carolina is pleased with H.R. 1900 or will even vote for it, but in no way do I want my personal convictions or those of so many citizens of North Carolina who have contacted me to detract from the diligence of the Senator from Kansas. I reiterate he has done a remarkable job.

Second, I am pleased that the Finance Committee dealt favorably with a number of the sections of the reform bill that I introduced. Of course I refer to S. 541. In fact, upon examination, I find that the Finance Committee bill that we are now considering includes 11 of the 20 sections of my bill. And that is a pretty good average, Mr. President.

The bill before us does cure, for example, a number of inequities that women suffer under social security as it now exists. It gradually phases out the retirement earnings test for people 85 and over and it cuts off benefit payments to aliens and their dependents and survivors who reside outside the

United States and its territories. Several other sections of S. 541 are included in the bill now before us, but I will not use the Senate's time to discuss these in any great detail.

Let me simply say that the bill under consideration is certainly an improvement over its predecessor legislation.

Having said that, Mr. President, despite the improvements made thus far, the social security reform bill, in my judgment, still lacking. I am convinced that Americans, young and old, want and I think deserve more than the bill before us now provides. The more than 36 million elderly Americans who receive social security checks each month need a retirement system they can depend on. Equally important, the 119 million workers whose payroll taxes make those checks possible deserve a fully funded system that will be able to pay benefits when they retire.

Mr. President, one of the problems with social security in the United States is that so few know anything about it. Some weeks back I met with members of the news media and it occurred to me that it might be interesting to see how much those who daily report on social security developments know about social security itself. So we prepared 20 multiple choice questions. I gave part of the test to media representatives and, I must say, they did very poorly. And I will say also that before I began looking into the social security system, I would have done perhaps even more poorly.

For example, let me read two or three of the questions and the multiple choice answers for each and see how the Chair would do if he can follow these in his mind as we go along. The first question:

If you went to work when social security began in 1937 and earned enough to pay the maximum tax from 1937 to 1982, today you would have paid into the system: A. \$127,650; B. \$98,450; C. \$16,950; D. \$47,650.

The answer is C, \$16,950, Mr. President.

The second question:

If you retired today and paid the maximum tax possible since 1937, your annual social security benefits for you and your spouse would be: A. \$19,000; B. \$12,200; C. \$14,000; D. \$8,000.

The correct answer is B.

Mr. President, I ask unanimous consent that this test given to the news media be printed in the RECORD at this point.

There being no objection, the test was ordered to be printed in the RECORD, as follows:

Social Security is the Nation's largest domestic program, and affects the lives of almost every American. How much do you know about this important program? Here are 20 multiple choice questions to test your knowledge.

1. If you went to work when Social Security began in 1937, and earned enough to pay the maximum tax during 1937 to 1982, today you would have paid into the system: A. \$127,650; B. \$98,450; C. \$16,950; D. \$47,650.

2. If you retired today, and had paid the maximum tax possible since 1937, your annual Social Security benefits for you and your spouse would be: A. \$19,000; B. \$12,200; C. \$14,000; D. \$8,000.

3. The social security deficit projected over the next 75 years is: A. \$3.8 million; B. \$2.7 billion; C. \$1.6 trillion; D. \$9 zillion.

4. The average number of years that a woman lives after reaching age 65 in 1982 is: A. 11; B. 15; C. 19; D. 9.

5. The average number of years that a man lives after reaching age 65 in 1982 is: A. 11; B. 15; C. 19; D. 9.

6. Social Security pays full retirement benefits for those age 65. Social Security also pays benefits, though at a reduced amount, for those who opt for early retirement after age 62. Today, what percent of Americans opt for early retirement? A. 28 percent; B. 65 percent; C. 90 percent; D. 50 percent.

7. For all current Social Security retirees, their lifetime Social Security benefits they and their families will receive exceed by what ratio their lifetime Social Security taxes paid? A. 11:1; B. 10:1; C. 2:1; D. 5:1.

8. To be fully eligible for Social Security retirement benefits, what is the minimum number of years you have to have worked in a Social Security covered job, and therefore had paid Social Security taxes? A. 7½; B. 21½; C. 30; D. 50.

9. President Roosevelt, when he proposed the Social Security Act in 1935, said its basic goal was:

A. To fully meet all of the economic needs of the elderly, the nation's most cherished national resource.

B. To provide supplemental retirement income to replace earnings lost by industrial and commercial workers because of retirement.

C. To guarantee that taxes paid to Social Security by workers would be fully repaid, with interest, when the worker attained retirement.

10. Since 1970, Social Security benefit increases have:

A. Increased faster than average increases in wages and prices.

B. Stayed the same as increases in average wages and prices.

C. Have not kept pace with average wage or price increases.

11. What percent of all American families pay more in Social Security taxes than federal income taxes? A. 27 percent; B. 51 percent; C. 62 percent; D. 11 percent.

12. Since 1935, how much in Social Security benefits have been paid out? A. \$655 billion; B. \$235 billion; C. \$1 trillion; D. \$300 billion.

13. In the next four years, how much Social Security benefits will be paid out? A. \$655 billion; B. \$235 billion; C. \$1 trillion; D. \$300 billion.

14. In 1959, what percent of the elderly had incomes below the official poverty level? A. 35 percent; B. 14 percent; C. 52 percent; D. 17 percent.

15. In 1978, what percent of the elderly had incomes below the official poverty level? A. 35 percent; B. 14 percent; C. 52 percent; D. 17 percent.

16. U.S. citizenship is currently not a requirement to receive Social Security benefits. How many dollars are paid annually in benefits to non-U.S. citizens living outside the United States? A. \$35 million; B. \$700 million; C. \$235 million; D. \$94.6 million.

17. The OASDI Trust Fund pays benefits out of current reserves. The funds have enough reserves to pay benefits at present levels for how long? A. 2 years; B. 4 months; C. 10 years; D. 7 week.

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18. Social Security is a "pay as you go" system . . . meaning benefits paid today are financed through taxes paid by today's workers. In 1940, there were 16 workers for every beneficiary. How many workers are there today for each beneficiary? A. 3; B. 25; C. 12; D. 17.

19. Since 1935, the maximum Social Security taxes have increased what percent A. 2,000 percent; B. 200 percent; C. 6,900 percent; D. 4,000 percent.

20. What percent of Social Security current beneficiaries are over age 65, the full retirement age? A. 92 percent; B. 65 percent; C. 78 percent; D. 51 percent.

Mr. HELMS. I will run down the answers. 1, C; 2, B; 3, C; 4, C; 5, B; 6, C; 7, D; 8, A; 9, B; 10, A; 11, B; 12, C; 13, C; 14, A; 15, B; 16, B; 17, D; 18, A; 19, C; 20, D.

Mr. President, my bill, S. 541, the Social Security Guarantee and Individual Retirement Security Act of 1983, would guarantee to every American the social security benefits to which he or she is now entitled without raising taxes. As a matter of fact, it would repeal all future scheduled payroll tax increases. It has both a long-term and a short-term goal for addressing the funding problems facing social security.

In the long run, Mr. President, it would phase in a new kind of private savings account, called an individual retirement security account (IRSA), in which each working American could invest for his or her own retirement. These federally insured accounts would guarantee for all time absolute retirement security for every American. They would also help the Nation's economy by providing a capital pool for investment to create jobs and put people back to work, lower interest rates, boost GNP, and help this Nation toward a much needed economic recovery.

In the short run, it would keep our present social security system solvent while the long-term plan has a chance to take effect.

THE PRESENT PROBLEM

We will be deceiving ourselves if we do not face up to the seriousness of the social security crisis. In my view, it is both a national tragedy and a national disgrace. What is more, too few Americans understand the nature and extent of these problems. Certain politicians and members of the media have made a political football out of social security.

Let us examine for a moment how so many Americans have been misled, even deceived, by political and bureaucratic words and phrases that have created false impressions in their minds. To put it bluntly, the people have been hoaxed by expressions that have crept into the American vocabulary.

First, how many times have we heard references to the "Social Security Trust Fund"? There is no trust fund. It does not exist. It has never existed. Just ask someone to point out the vault where the money is kept. From the first days of social security,

the American people have been led to believe that every worker has an accumulated savings account in Washington with his or her name and social security number on it. That is what employer and employee payroll taxes were supposed to be paying for. But such accumulated savings accounts do not exist, they have never existed.

Second, how many times have American workers been told that they "contribute" a specified sum of money to social security, and their employer "contributes" a like amount? But that is not correct either. All of the money—what workers contribute and what employers contribute—all of it is a part of the total payroll expenses that an employer has allotted for a particular job, including salary and other costs involved in his having hired someone in the first place. So every penny is really the worker's money, the money an employer has to pay in a dozen different ways to employ someone.

So, Mr. President, that contribution is not a contribution. It is a tax, and nothing more. Social security, as it now exists, is not really a retirement insurance and savings program. It is a program of taxation that is in fact bankrupt; and the retirement benefits of every American are, and have been, at the mercy of politicians who decide how much money from the Federal Treasury retired Americans will receive.

THE COMMISSION PLAN

Along with other Americans, I waited—perhaps too patiently—for the 15-member, blue-ribbon, bipartisan Social Security Reform Commission to come up with proposals that, we had all hoped, would realistically and honestly address the problems facing the social security system. But after more than a year's work, the Commission submitted proposals to the President that reflect a total absence of creativity and imagination—and, worse still, a total lack of understanding of where they would lead the American economy. The Commission asks Congress to raise taxes and reduce social security benefits. Taxes on working people and their employers would be increased. Taxes on self-employed persons such as farmers, doctors, and lawyers would be increased. For the first time ever, the benefits of social security recipients would be taxed. Nonprofit organization employees would be brought into the system, and employees of State and local governments would be prohibited from withdrawing from the system.

But these painful changes and others recommended by the Commission may still not, by the Commission's own admission, be enough to cover either the short-term funding needs and surely will not cover the long-term social security deficit.

According to the Commission's report, the short-term deficit—that is, the deficit that would accumulate between now and 1989—would come to

between \$150 and \$200 billion. Their short-term remedy would take care of \$168 billion of that projected shortfall.

Estimates of the long-term deficit—that is, for the next 75 years—vary depending on your source of information. Or perhaps I should say it gets worse each time it is calculated.

The Commission report estimates a long-term deficit of 1.62 percent of payroll—estimated to be roughly \$1.6 trillion. The Commission's proposal would reduce this deficit by only two-thirds. The members came to no agreement on whether to recover the remaining one-third by gradually raising the retirement age or by increasing the payroll tax on employers and employees.

Shortly after the report was published social security actuaries revised their estimate of the deficit. They now project it will amount to 2.1 percent of payroll, which is equal to several hundred billion dollars more than previously estimated. The Commission plan, then, falls woefully short of resolving the long-term deficit, even if the retirement age were to be raised or payroll taxes increased.

Clearly, then, Mr. President, however well intended the report of the Social Security Reform Commission is, it not only fails to address all the problems facing our social security system, but it does not adequately solve even those it does address.

DISTRUST OF SOCIAL SECURITY

Is it any wonder, then, that the American people have lost faith in social security? Some weeks back, I saw the results of two polls that had been taken among younger Americans now in the work force. A 1982 Washington Post-ABC News poll stated 66 percent of those under 45—and 70 percent of those under 30—believe that social security will not be in existence when they retire. A 1981 New York Times-CBS News poll found that 75 percent between ages 25 and 34 doubt they would receive any of the social security benefits they have been promised. The same poll found that 73 percent of all Americans have lost confidence in social security.

The same doubts and fears have been expressed to me in letters and telephone calls from countless Americans—young, middle aged, and elderly, including some who are already retired. These people are concerned, and rightly so, about their futures, and about the futures of their children and grandchildren.

HELMS PLAN WILL NOT

In a moment I will describe in greater detail what my proposal would do, but first let me emphasize what it will not do.

It will not—I repeat not—reduce any promised benefits to anyone—not to retired Americans, not to those about to retire, and not to anyone else who has a right to any retirement benefits.

It will not—and again I repeat not—raise social security taxes in the

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future. In fact, it would repeal the social security tax increases already scheduled to take effect in 1985 and 1990.

It will not raise taxes on self-employed individuals.

It will not bring any employees of nonprofit, tax-exempt organizations into the social security system.

It will not require employees of State and local governments to participate in social security.

It will not tax benefits of social security recipients.

It will not make our senior citizens wait 6 months for the annual cost-of-living adjustment they depend on so much.

It will not raise the retirement age.

THE IRSA ACCOUNT

My plan would authorize every American worker to establish an "Individual Retirement Security Account" in whatever authorized institution he or she chooses, be it a local bank, credit union, savings and loan association, or whatever. These fiduciaries would be qualified under standards similar to those under Treasury Regulations section 1.401-12(n).

This new kind of account would be similar to the IRA accounts most people know about already, but with a big difference. The difference would be that a tax credit, instead of a tax deduction, would be given for deposits in these individual retirement security accounts. A tax credit means a dollar-for-dollar tax writeoff, the kind that means something to the small- and medium-income taxpayer.

Individuals could contribute to these IRSA's any amounts they choose. For every dollar contributed to an IRSA, the individual would be entitled to claim a 20-cents-on-the-dollar credit against the income tax liability, up to a maximum credit of 20 percent of the amount paid that year by the individual to the social security trust fund. To the extent the individual elects to take advantage of the income tax credit, his future pension claims against the common social security trust fund would be reduced according to an actuarial formula. Maximum utilization of the income tax credit each year for 20 years would reduce the individual's OASI claims to zero. Lesser utilization would reduce the trust fund's liabilities proportionately.

GUARANTEED BENEFITS

My proposal would guarantee all current pension obligations with the full faith and credit of the United States. Many Americans are surprised when they learn that social security benefits are not guaranteed under current law. In fact, in 1980, the U.S. Supreme Court rules in *Flemming v. Nestor* (363 U.S. 603) that the Federal Government can renege on social security benefits at any time. That case is still the law today. If Congress wants to reduce social security benefits, it is free to do so. I want to change that.

Under my plan, every participant, upon retirement, would receive a cer-

tificate made out in his or her name. It would be an obligation backed by the "full faith and credit of the United States." This bond would guarantee continued social security benefits. Never again will a retired American feel that his or her social security benefits would be cut by an act of Congress, the courts, or any other agency of Government. No one could ever be denied the credits he or she has earned or will earn in the future under the Government system.

Everyone's retirement credits must be guaranteed.

MOBILIZE PRIVATE SECTOR VIA IRSA'S

But in the long run, we also need to offer workers something more—a supplement, an alternative to the Government-managed system.

No system of taxes can improve real benefits to Americans because taxes are not productive. They destroy the incentive to create jobs and the incentive to save. What we need is a system of savings and investment. A lot of people originally thought that was what the social security system was supposed to be. But in fact we have a system where the taxes collected this month are paid out in benefits next month, and this system is bankrupt. I want to expand the system to create individual worker's investments in the private sector. I want to encourage savings and investment, create jobs, help lower interest rates, and thereby restore the strength and vitality of America.

Interest, dividends, and capital gains accumulated in the IRSA account would be tax exempt, and annuities and withdrawals from it upon retirement anytime after age 62 would be tax free. Funds held in an IRSA account could be used tax free by a worker before age 62 to acquire life insurance, health insurance, or disability insurance. The individual could participate with his fiduciary in managing the IRSA account as a fully funded individual retirement program.

For the first 10 years after enactment, an individual could set up an individual retirement security account and receive tax credits. Then, starting in 1994, there would begin a phased transfer in which employers and employees would be required to pay part of their social security taxes to the respective worker's individual retirement security account instead of to the Federal Government. As more of the individual's and employer's taxes go to the worker's IRSA, less would be paid to the common OASI trust fund to pay benefits for a declining number of social security beneficiaries.

By the year 2004 the phased transfer would be complete, and all payroll tax payments would be made to employees' IRSA's. Tax credits would be available between 1994 and 2004 for amounts invested in an IRSA above the amount deposited by employees and employers via the FICA deduction. The credit would phase to zero as the OASI component of the FICA de-

duction phased to zero by the year 2004.

I asked experts to estimate the amount of money that would be saved and invested in the private sector as gradually increasing percentages of the population began to participate in IRSA's. For example, if only 38 percent of our Nation's workers elect to establish IRSA's during the next 10 years, a whopping \$271,401,000,000 will have been invested. Think what this new supply of savings could do for our economy.

The following table provides a breakdown of the experts' estimates:

ESTIMATED IRSA PARTICIPATION AND INVESTMENT

(Dollars in billions)

Year	Participation rate in IRSA's	Amount invested
1984.....	0.01	\$0.894
1985.....	.03	3.072
1986.....	.07	7.802
1987.....	.10	12.050
1988.....	.13	16.926
1989.....	.16	22.432
1990.....	.19	31.037
1991.....	.24	42.288
1992.....	.30	57.000
1993.....	.38	77.900
Total.....		271.401

OASI liabilities would shrink as participation in IRSA's increased. By the year 2045, according to my projections, residual OASI liabilities would be reduced to zero.

The following table shows projected OASI and IRSA participation and fiscal impact through the year 2050:

PROJECTED OASI AND IRSA PARTICIPATION AND FISCAL IMPACT¹

(Thousands of individuals)

Year	FICA covered workers	OASI annuitants	IRSA annuitants	OASI cost (percent of payroll)
1982.....	115,308	31,483	0	10.42
1985.....	123,300	33,106	0	10.32
1990.....	132,410	63,428	33	9.87
1995.....	137,644	83,403	53	8.29
2000.....	142,248	39,814	4,460	7.14
2005.....	146,798	41,725	16,897	6.46
2010.....	149,515	45,359	32,218	4.92
2015.....	150,148	51,048	51,048	2.51
2020.....	149,873	57,753	57,753	1.22
2025.....	150,205	64,500	64,542	.79
2030.....	151,750	45,323	68,234	.46
2035.....	153,889	16,873	71,277	.03
2040.....	156,015	997	71,440	(*)
2045.....	157,777	0	71,824	0
2050.....	159,945	0	73,034	0

¹ Alternative II-B assumptions; source of data for covered workers, OASI annuitants, 1982 trustees report. IRSA participation rate, 1984-93 assumed 20 percent of covered workers with 50 percent retiring by 1995; increase in IRSA coverage and decrease in OASI coverage computed by applying smoothed exponential decline rate/growth rate curve to population data with parameters as given in Helms proposal (universal IRSA coverage in 1994 with maximum coverage in 2004; no new OASI retirees after 2024).

* OASI cost is percent of taxable payroll (Alt. II-B) adjusted for computed decline rate on OASI benefit claims, 1994-2040. Taxable payroll was not adjusted for economic growth and increase in real wages that would be expected from increased savings rate and capital formation as retirement income source shifts from transfer payment via OASI tax on payrolls to annuity withdrawals by individuals from IRSA accounts. By 1995 this impact on real GNP and real wages would be significant, further reducing the percentage of taxable payroll represented above as OASI cost.

SOLVING TODAY'S DEFICIT

My proposal also addresses the short-term financing crises facing the social security system. Undeniably, a short-term infusion of funds is needed to keep the system afloat, at least

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until my long-range plan has a chance to take effect. The Commission estimates a deficit of from \$150 to \$200 billion between now and 1989. They propose to raise \$168 billion through a combination of tax increases and benefit cuts. Using the Commission's own numbers and assumptions, I have come up with a package of proposals and reforms that will yield \$167 billion in additional revenues between now and 1989. Quite frankly, my proposals should actually yield more than this because of the favorable effect on employment of my proposed tax cut. With lower taxes and greater savings, the economy will grow faster than the Commission assumes, thus boosting the tax base and lowering benefit outflows.

INCLUDE ALL FEDERAL WORKERS

The first thing I propose is to include all Federal workers under social security—not just new ones, as the Commission has proposed—but all of them, beginning with all Members of Congress and their staffs. The social security problem is a national problem, and all of us ought to participate in solving the crisis.

My proposal would not affect the civil service retirement system in any way. Federal employees could continue to participate in civil service retirement much the same way employees in the private sector participate in their employer-sponsored retirement plans.

COLA DELAY

Second, I propose to delay for 3 months—from July to October—the social security cost-of-living adjustment. I do not agree that there should be a 6-month delay, as was proposed by the Commission. That is an unfair burden on our senior citizens. A 3-month delay would be much fairer, and it would help a great deal to solve the short-term deficit.

PRORATION OF COLAS

Third, cost-of-living increases should be prorated to reflect the month of retirement. The present system is unfair to the senior citizen who retires in, say, January—because the person who retires the following December now receives the same cost-of-living adjustment as the senior citizen who retired early in the year.

ADMINISTRATIVE COSTS

Fourth, I propose that the expenses of administering the social security system be counted against general revenues rather than the social security accounts. Payroll tax revenues should only be used to pay benefits, and should not go to pay administrative expenses.

UNCASHED CHECKS

Fifth, I propose we adopt the Commission's recommendations regarding crediting the social security system for all uncashed social security checks. Until I began my detailed study of the social security system, I was not aware that millions of dollars in social security checks are never cashed each

year. I was astonished to learn that the money represented by these uncashed checks does not have to go back to the social security system—but instead may be used for other Government spending. My proposal would require that the money be credited to the social security system.

MILITARY BENEFITS

Sixth, I propose the social security fund also be credited for all military benefits the social security system pays out with no Government contribution.

REVENUE CALCULATIONS

The following table reflects the short-term revenue increase under my proposal:

Short-term revenue increase under Helms plan (1983-90)

	Billions
1. Bring all Federal employees into the social security system.....	\$61.4
2. Delay payment of COLA from July to October.....	35.0
3. Prorate COLA to reflect month of retirement.....	40.0
4. Charge administrative costs to general fund.....	18.0
5. Credit uncashed social security checks to social security system.....	.5
6. Credit social security system for military benefits paid without a government contribution.....	17.5
Total.....	172.4

PAYROLL TAX CUT

The revenue figure shown here, \$172.4 billion, does not reflect the projected revenue loss as a result of repealing the 1985 payroll tax increase. Under present law, the combined employer-employee payroll tax rate, which is now 13.4 percent, is scheduled to increase to 14.3 percent by 1986 and 15.3 percent by 1990. The maximum payroll tax would become \$6,263.40 in 1986 and \$8,690.40 in 1990.

The Congressional Budget Office estimates the 1977 payroll tax increases cost 500,000 Americans their jobs. Higher payroll taxes would only exacerbate the unemployment crisis and contribute to further economic stagnation.

My proposed payroll tax cut is projected to reduce the social security system's revenue by only \$5.4 billion by 1990. With this projection, my package of short-term proposals would result in a net increase in social security revenues of \$167 billion, almost the same amount as the Commission proposes to bring in by raising taxes and cutting benefits.

I emphasize these projections are based on the same assumptions used by the Commission and their figures. Quite frankly, I believe my proposed tax cut will have a more favorable result than projected, and that between now and 1990 the social security system will be much better off under my short-term plan than under the Commission's proposals.

EQUITY REFORMS

Mr. President, along with proposals for solving the long-term and short-term funding problems facing the

social security system, my bill also contains proposals for reforming social security in certain areas. I include these reform proposals because of the pressing need for Congress to address issues relating to women, the disabled, nonresident aliens, and older Americans with productive abilities who wish to continue working past age 65.

EQUITY FOR WOMEN

Mr. President, clearly our present social security system treats women unfairly. The problems have become more acute as more women have entered the workforce. When the social security system was created, only 20 percent of women were in the work force. Today that figure is roughly 60 percent.

The National Commission on Social Security Reform addressed a number of issues relating to women. They made several proposals that have merit that I have included in my bill. These proposals are as follows:

First, present law permits the continuation of benefits for surviving spouses who remarry after age 60. This would be extended to disabled surviving spouses aged 50 to 59, disabled divorced surviving spouses aged 50 to 59, and divorced surviving spouses aged 60 or over.

Second, spouse benefits for divorced spouses would be payable at age 62 or over, subject to the requirement that the divorce has lasted for a significant period, if the former spouse is eligible for retirement benefits, whether or not they have been claimed, or if they have been suspended because of substantial employment.

Third, deferred surviving-spouse benefits would continue to be indexed as under present law, except that the indexing would be based on the increases in wages after the death of the worker instead of by the increases in the CPI, as under present law.

Fourth, the benefits rate for disabled widows and widowers aged 50 to 59 at disablement would be the same as that for nondisabled widower and widowers first claiming benefits at age 60—that is, 71½ percent of the primary insurance amount—instead of the lower rates under present law—gradually rising from 50 percent at age 50 to 71½ percent for disablement at age 60. Such change would not only be applicable to new cases, but would also be applicable to beneficiaries of this category who are on the rolls on the effective date of the provision.

Unfortunately, the Commission's proposals do not go far enough in insuring equal treatment for women. My bill contains additional protections.

Under present law, the method of calculating social security benefits creates a disincentive for a parent to remain at home with children. Such years are calculated as zero earning years in the determination of the person's social security benefits. Often a parent, usually the mother, needs to spend time at home during a child's

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early years of development. The Government should not discourage mothers from spending time at home with their children during the children's formative years.

My bill would allow a person to exclude from the calculation of his or her social security benefits each year spent at home with their child as long as the child is younger than 6 years old. Up to 6 years could be excluded, and this exclusion could be taken in addition to every individual's already guaranteed 5 low year exemption. During the years excluded, the parent could earn up to one-half the average wage of all social security covered workers each year.

I also propose extending additional equity to divorced spouses. Both members of a household should be considered to have made equal contributions to their family and thus retain equal property rights for the income in their family structure. This is not the case under social security today. My legislation would correct this situation by crediting each divorced spouse half the earned family income during the marriage for the purpose of determining social security retirement and disability benefits.

EQUITY FOR DISABLED

Mr. President, another part of my bill addresses serious problems involving the arbitrary cutoff of benefits to disabled citizens. Often disability payments, which provide life-sustaining funds for so many individuals, are terminated by an overzealous Social Security Administration before the beneficiary is actually interviewed. Administrative law judges have reversed roughly 70 percent of disability cutoff cases reviewed. This indicates the seriousness of the problem.

I would be the first to acknowledge that there has been much abuse of social security disability. But the movement to correct this situation must have guidelines and it must be fair. Therefore, I propose that Congress insure due process to every individual receiving disability benefits before any benefits can be cut off. My bill provides this. Each disability beneficiary would be entitled to a hearing before an administrative law judge before benefits could be cut. The Social Security Administration could not bring a case before a judge for determination unless they could show a change of circumstances or conditions affecting the individual, fraud, or mistake in the initial determination of disability.

My bill would leave the disability trust account untouched. It will remain in good shape, capable of paying benefits well into the future, if the remaining social security accounts would stop borrowing from it.

LIMIT ALIEN RECEIPTS

Another reform I propose would limit payment of social security benefits to nonresident aliens. The social security system pays out \$80 million each month to individuals outside this

country. Most of the people, 67 percent to be exact, who receive such funds are aliens. Many of them entered the United States as resident aliens during the 1950's when the social security payment premiums and quarter requirements were low qualified for social security, and then returned to their respective countries to live off social security benefits. In many cases these benefits provide them with a higher standard of living than they could have in the United States. These individuals often go home and adopt children, parents and grandparents or marry a much younger person to increase their benefit entitlement and insure the continuation of the U.S. support to their survivors. The payments these aliens receive from the United States almost always exceed their original contributions to the system. Consider this—more than 50 percent of the benefits paid overseas are survivor benefits. In the United States, only 30 percent of the benefits are paid to survivors.

We cannot continue to increase taxes on the American people in order to send social security benefits overseas. My bill strengthens the existing social security provision requiring aliens who leave the United States for a period of 6 months to forfeit social security benefits. The legislation provides that aliens can draw benefits only to the extent they have paid into the system, irrespective of their employers' contribution, plus the Treasury bond rate of interest on that amount. Nonresident aliens who are drawing social security benefits beyond their contribution to the system must be cut off.

EQUITY FOR OLDER WORKERS

And finally, Mr. President, I propose a reform of utmost importance. I propose elimination of the earnings limit on retired persons.

A person's age does not necessarily determine his or her physical or mental condition. Our social security system often forces people into retirement at age 65 no matter what their abilities. A person who chooses to work past age 65 is penalized by loss of retirement benefits—retirement benefits they worked for all their lives. The loss amounts to 50 cents on the dollar, which creates a tremendous disincentive for people 65 and older to continue to work. It means an effective increase in the marginal tax rate for that worker of greater than 50 percent.

No one should be discouraged from continuing to fulfill their life through work. Therefore, I propose we remove this penalty by repealing the earning limit for social security recipients 65 and older. Older Americans ought to be able to work if they want to without financial penalty.

Mr. President, the retirement security of American workers is as important to the future of this country as any issue Congress will deal with this year. Sooner or later, a plan such as I

have proposed will have to be adopted. It may not happen this year, or even next. Eventually, the politicians will no longer be able to paper over the enormous deficit. As fewer and fewer workers support more and more retirees, Members of Congress will be unable to duck the long-term funding problems. All else having failed, they will be obliged to turn to common sense.

I urge my colleagues to study my proposal closely, and to support it.

Mr. President, I yield the floor.

Mr. BAKER, Mr. President, I ask unanimous consent that there be an additional 5 minutes debate on the social security bill before the provisions of the unanimous-consent agreement to return to the jobs bill, under the same terms and conditions.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. DOLE, Mr. President, I thank the distinguished majority leader for his action. I want to respond briefly to the Senator from North Carolina and then take the amendment of the Senator from Connecticut.

I first want to say that we appreciated very much the Senator from North Carolina taking the time to come before the Finance Committee to testify.

Senator HELMS took the courageous position of offering his own comprehensive reform bill which aimed at reducing the tax burden and planning for private retirement.

As he pointed out in his statement on the floor, the Senator from Kansas thinks the bill which the Senate Finance Committee reported, is an improvement on the Commission's recommendations. There were incorporated in that bill about 11 of the provisions the Senator from North Carolina had in his comprehensive package. Senator HELMS addresses head-on the major retirement income policy questions which have been ignored for a long time. Obviously, he has used the current funding crisis as much more than an opportunity for patching up the financing problem. We hope we made some changes in the right direction in our committee to avoid that characterization. Certainly the distinguished Senator from North Carolina was willing to face the challenge to take a fresh approach to social security reform.

As I have indicated, a number of the Senator's provisions mirror suggestions made by the National Commission, with the addition of changes in the earnings test, and in the women's equity area. I believe, as the Senator indicated, that the committee bill goes part way in addressing some of the Senator's major concerns.

Again, I appreciate the Senator's input into the process.

Mr. HELMS, Mr. President, I thank the Senator for his comments. I want to reiterate what I said at the outset. I

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have great admiration for his truly remarkable job in bringing forth the legislation before us. As he indicated, he very graciously welcomed me to appear before his committee. Eleven out of 20 of our proposals, I believe, are incorporated in this legislation.

I was telling a group earlier this afternoon, a group of North Carolinians, that I believe in incremental success; you go a step at a time, do the best you can. I believe the Senator from Kansas believes in the same philosophy. He certainly has demonstrated that in the way he has handled various pieces of legislation.

I will not ask for a vote on this amendment, but I did want to present it for the consideration of the Senate and for the people of this country for their future assessment. Maybe as we move down the road step by step we can bring about, in the end, a system that will be meaningful and certainly beneficial to the people.

I again thank the Senator for his comments.

Mr. DOLE. I thank the distinguished Senator from North Carolina.

Mr. HELMS. Mr. President, I withdraw the amendment.

The PRESIDING OFFICER. The amendment is withdrawn.

Mr. DODD addressed the Chair.

The PRESIDING OFFICER. The amendment of the Senator from New Jersey will be temporarily set aside and the Senator from Connecticut is recognized.

Mr. DODD. I thank the Chair.

UP AMENDMENT NO. 81

Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Connecticut (Mr. Dodd) proposes an unprinted amendment numbered 81.

Mr. DODD. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place add the following:

() Sections 201(e), 1817(d), and 1841(d) of the Social Security Act are repealed.

(X) The next to last sentence of section 201(c) of such Act is amended by striking out "Such report shall also include" and inserting in lieu thereof the following: "Such report shall include an actuarial opinion by the Chief Actuary of the Social Security Administration certifying that the techniques and methodologies used are generally accepted within the actuarial profession, a statement of key economic and demographic assumptions underlying projected trust fund revenues and outlays, and shall also include".

() Section 1817(b) of such Act is amended by inserting immediately before the last sentence the following new sentence: "Such report shall also include an actuarial opinion by the Chief Actuarial Officer of the Health Care Financing Administration certi-

fying that the techniques and methodologies used are generally accepted with the actuarial profession, and a statement of key economic and demographic assumptions underlying projected trust fund revenues and outlays."

() Section 1841(b) of such Act is amended by inserting before the last sentence the following new sentence: "Such report shall also include an actuarial opinion by the Chief Actuarial Officer of the Health Care Financing Administration certifying that the techniques and methodologies used are generally accepted within the actuarial profession, and a statement of key economic and demographic assumptions underlying projected trust fund revenues and outlays."

Mr. DODD. Mr. President, very briefly, this amendment would codify an already existing practice by requiring the inclusion of an actuarial opinion in the OASDI and HI trustees' annual reports. This amendment would also require the inclusion in those reports of the economic and demographic assumptions underlying the conclusions in those reports.

The art of economic and actuarial forecasting is by no means perfect and I do not pretend that passage of this legislation would enable us to predict the future with any more certainty than we can now. However, by strengthening the process under which such forecasting and analysis is generated, we can create a sounder basis for future social security planning and administration.

For these reasons, I urge that this amendment be adopted.

The PRESIDING OFFICER. If the Senator from Connecticut will yield, time has expired.

Mr. BAKER. Mr. President, I ask unanimous consent that the Senator may speak for an additional 2 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DODD. In 1977, for example, Congress relied on economic and actuarial forecasts which led to conclusions on social security which were far more optimistic than the reality that followed. Back then, we were told that the 1977 social security amendments would leave the system sound well into the 21st century.

This amendment will not guarantee that that will not happen again. But it will write into law a step which is essential to minimizing the likelihood of such an occurrence.

Mr. BENTSEN. Mr. President, I will say that the distinguished Senator from Louisiana finds this amendment acceptable to him and, as ranking minority member on the floor, I believe it is a good amendment that we would be delighted to accept.

Mr. DODD. I thank the Senator.

Mr. DOLE. Mr. President, we have reviewed this amendment carefully and we have had an opportunity to discuss the amendment, with the Senator and his staff. We have made some slight modification which was satisfactory. We have no objection to the amendment in its present form.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (UP No. 81) was agreed to.

EMERGENCY JOBS APPROPRIATIONS, 1983

The PRESIDING OFFICER. Under the previous order, the hour of 3:10 p.m. having arrived, the Senate will vote on passage of H.R. 1718. The yeas and nays have been ordered and the Clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Arkansas (Mr. Bumpers) and the Senator from South Carolina (Mr. Hollings), are necessarily absent.

The PRESIDING OFFICER (Mr. Wilson). Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 82, nays 16, as follows:

[Rollcall Vote No. 30 Leg.]

YEAS—82

Abdnor	Ford	Mitchell
Andrews	Glass	Moynihan
Baker	Gorton	Nunn
Baucus	Gramley	Packwood
Bentsen	Hart	Pell
Biden	Hatfield	Percy
Bingaman	Hawkins	Presler
Boren	Hecht	Proxmire
Boschwitz	Hoffin	Fryor
Bradley	Helms	Quayle
Burdick	Huddleston	Randolph
Byrd	Inouye	Riegle
Chafee	Jackson	Sarbanes
Chiles	Jeppesen	Sasser
Cochran	Johnston	Simpson
Cohen	Kassebaum	Specter
Cranston	Kasten	Stafford
D'Amato	Kennedy	Stennis
Danforth	Leahy	Stevens
DeConcini	Laxalt	Thurmond
Denton	Leahy	Trible
Dixon	Levin	Trocas
Dodd	Long	Wallop
Dole	Lugar	Warner
Domenici	Mathias	Weicker
Durenberger	Matsunaga	Wilson
Eagleton	Melcher	
Exon	Metsenbaum	

NAYS—16

Armstrong	Humphrey	Rudman
East	Mattlingly	Symms
Garn	McClure	Tower
Goldwater	Murkowski	Zorinsky
Hatch	Nickles	
Helms	Roth	

NOT VOTING—2

Bumpers	Hollings
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So the bill (H.R. 1718), as amended, was passed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. STENNIS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The title was amended so as to read:

An Act making appropriations to provide productive employment for hundreds of thousands of jobless Americans, to hasten or initiate Federal projects and construction of lasting value to the Nation and its citizens, and to provide humanitarian assistance to the indigent for fiscal year 1983, and for other purposes.

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THE JOBS BILL—ONE SMALL STEP

Mr. HART. Mr. President, the jobs bill, which the Senate has just passed and which I supported, should be recognized for what it is—a first small step providing a quick infusion of aid and assistance for the seriously hurt victims of the Reagan recession. It will create some jobs and it will bring much needed emergency shelter, food, and health care to Americans who desperately need it at this time. So in that sense, it is really a necessary bill.

We should also be clear about what it is not. It is not a solution to America's unemployment problem. It does not even address any of the underlying causes for our depression level double digit unemployment. To address our real unemployment problem—the over 11 million unemployed Americans—we have to go far beyond this bill.

First and foremost, we must get back to a sustained period of strong economic growth. This, after all, is the only real job generator.

Recovery—the goal of this administration and many others—is not enough. It should not be our goal, for it is not up to meeting the immense challenges inherent in America's serious unemployment problem. To recover to the weak and stagnant economy now projected for 1983, with only 1.4 percent real economic growth and unemployment of 10.7 percent, is no recovery at all. It is a roller coaster, with many potential problems to take us down hill once again: Very high real interest rates, huge projected budget deficits, a real possibility of a return to tight controls by the Federal Reserve, a projected record high \$75 billion merchandise trade deficit, and the potentially explosive international debt situation.

It is precisely because of the precarious nature of the recovery that I recently introduced, with Senator MOYNIHAN, an economic growth-monetary resolution. It is a clear statement to the American people and the people of the world that the U.S. Government is going to make strong economic growth its primary economic priority. I believe the American people are tired of 4 years of no growth. They also do not want to hunker down for a decade of low economic growth as the Reagan budget projects.

Simply stated, the resolution calls on the Federal Reserve Board to manage monetary policy so as to achieve the average real growth rate of most previous post-World War II recoveries, namely 5.4 percent during the first 2 recovery years. Calling for average economic growth after 4 years of stagnation does not seem to be asking too much.

Even a sustained period of strong economic growth, however, is not enough to meet the critical employment and labor market challenges of the next decade. We need an agenda for national economic renewal. Rather than 1-year patchwork jobs bills, we

need a 15-year infrastructure rebuilding program which would provide both immediate and long-term employment emphasizing areas of greatest need.

We also need a new employment strategy that invests in this country's most precious resource—its people—in order to obtain the highest and most productive return for the economy, the Nation and the workers themselves.

We are used to thinking of investment in terms of physical plant and equipment. We must recognize that the health, education, and trained skills of our citizens are even more valuable. Industries of the future will depend less for their success on physical hardware than on the human ingenuity which will shape and keep America's technological edge. Investment today in people—in training our youth and retraining older workers—will earn huge dividends in the near future. And what we neglect today in basic and advanced education will soon return to haunt and eventually cripple us.

Our employment strategy for the 1980's must focus on two challenges.

First, we need more jobs—not just to turn recession into recovery but to insure opportunity for new entrants into the labor market and for those who are certain to be displaced by technological change.

Second, we need more skilled workers now and far more workers with different skills in the near future—to increase productivity and to preserve for the United States the momentum that keeps ours a revolutionary society in a revolutionary time. We know technology will displace many workers in existing manufacturing jobs. And while new technology will create many new employment opportunities, we are beginning to see a widening gap between jobs that need to be filled and the skills of jobhunters. Without a major effort made by a private and public partnership the mismatch will only get worse.

And we need more imagination and experiment in the workplace itself—to expand the scope for the individual as dramatically as machines are expanding the range of tasks workers perform. We must find ways to make such employment—whether in services, manufacturing, or agriculture—satisfying, creative, and fulfilling, for all Americans increasingly seek more than a paycheck. We all want challenge, a feeling of accomplishment and a sense of our own contribution and individual talent being used to the maximum.

Over the past year, I have been developing both the framework and some of the specific elements of a new employment strategy for the 1980's and 1990's. I found that just the major elements of such a strategy constitute quite a lengthy agenda: Reform in education, vocational education, job creation, prevention of plant closings when advisable, training, and retrain-

ing, adjustment assistance, quality of work life, flexitime, worker participation, and employee ownership.

This is not a job for the Federal Government alone. It will take concerted and often coordinated action by corporations, unions, universities, local, and State governments, and the Federal Government.

Beyond the first small step of the jobs bill, therefore, lies a long path requiring a vigorous commitment to strong economic growth and a comprehensive and creative employment strategy. This is the real message of hope that Congress should be sending along with its job bill to the American people.

Mr. BAKER. Mr. President, what is the business before the Senate?

The PRESIDING OFFICER. The pending business is the appointment of the conferees.

Mr. HATFIELD. Mr. President, I move that the Senate insist on its amendments and request a conference with the House of Representatives on the disagreeing votes of the two Houses thereon and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to; and the Chair appointed Mr. HATFIELD, Mr. STEVENS, Mr. WEICKER, Mr. McCURE, Mr. LAXALT, Mr. COCHRAN, Mr. ANDREWS, Mr. ABNOR, Mr. D'AMATO, Mr. SPECTER, Mr. STENNIS, Mr. PROXMIER, Mr. INOUE, Mr. HOLLINGS, Mr. EAGLETON, Mr. CHILES, Mr. JOHNSTON, Mr. HUDDLESTON, and Mr. BURDICK conferees on the part of the Senate.

ORDER FOR CONVENING AT 10 A.M. TOMORROW

Mr. BAKER. Mr. President, is there an order for the Senate to convene tomorrow?

The PRESIDING OFFICER. The Senate is scheduled to convene at 9 a.m. tomorrow.

Mr. BAKER. Mr. President, I ask unanimous consent that the time for tomorrow be changed to 10 a.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

SOCIAL SECURITY ACT AMENDMENTS OF 1983

The Senate continued with the consideration of H.R. 1900.

The PRESIDING OFFICER. The Senate will now resume consideration of H.R. 1900.

The pending question is the amendment of the Senator from New Jersey.

Mr. DOLE. Mr. President, I yield to the distinguished majority leader.

Mr. BAKER. Mr. President, may we have order in the Senate?

The PRESIDING OFFICER. The Senate will be in order.

The majority leader is recognized.

Mr. BAKER. Mr. President, if I may have the attention of Senators, we are back on the social security bill. It is

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my hope that we can dispose of at least one more substantial amendment to that bill today.

I am advised by the manager of the bill, the chairman of the Finance Committee, that there may be one more rollcall vote today. I expect that the Senate will be on this measure for perhaps an hour, and longer, if possible.

Mr. President, it is my hope—and I hope that other Senators will cooperate in this—that we can finish this bill tomorrow, at least through third reading. That may be an ambitious undertaking, but I think it is important that we try to do that.

I also understand that, for a variety of reasons, it might be desirable to have the vote on final passage on Monday instead of Friday. If we get all these amendments out of the way tomorrow, at least the staff of the Finance Committee, majority and minority, can prepare for the conference; because then they will know the shape of the bill, they will know that no more amendments will be offered, and they can get most of the detail work out of the way.

I have not fixed in my mind a time to ask for final passage on Monday. I will be flexible on that point, because I know Senators will have travel arrangements to complete, to return to the city after the weekend.

Mr. President, I hope we can have a good, active day tomorrow, complete all the amendments, if possible; and if that is not possible, as many as possible. In any event, it is almost certain that we will have rollcall votes tomorrow on these amendments, and Senators should expect that there will be a number of rollcall votes tomorrow.

Once again, I express the hope that we can get to third reading and then have final passage of the social security bill on Monday.

Mr. LONG. Mr. President, will the Senator yield?

Mr. BAKER. I yield.

Mr. LONG. Mr. President, so far as the Senator from Louisiana is concerned, it is all right to complete our action and pass the bill tomorrow.

I must alert the distinguished majority leader—who has done a great job under adverse circumstances in moving the Senate along—to the fact that there is always a possibility that we could run into a snag. This might occur, for example, if we have a significant amendment and the sponsors lose by a single vote and they look at the absentees and see that if all the absentees had been present they would have won. The Senator can understand how men dedicated to what they are doing will not give up that easily. All they have to do is stall until Monday and do whatever they deem is necessary in order to prevail in the matter.

The distinguished majority leader has done a great job, and we want to continue to have the benefit of his ef-

forts to bring people together, and maybe we can pass the bill on Friday.

Mr. BAKER. I thank the Senator.

Mr. President, no one in this Chamber has a higher regard for the Senator from Louisiana than I do. I welcome his remarks, and I am grateful for them. I offer whatever services I am capable of and have remaining, to try to get this matter to third reading.

Of course, the Senator is correct. It may not be possible to get to third reading on Friday, and I recognize that. If we can get to third reading on this bill on Friday, and final passage on Monday, and get to conference, we will have only two things remaining before we go out. Those are the conference report on the jobs bill and the conference report on social security. We have all next week to do that.

What it really boils down to is that if we can get to the conference on Monday, we might be out of here on Wednesday, and that would be a result much to be wished for, in my judgment.

Mr. President, does the minority leader seek the floor?

Mr. BYRD. I seek to ask the Senator a question.

Mr. BAKER. I yield to the minority leader.

Mr. BYRD. Mr. President, there are some reports circulating that I want the rollcall vote on final passage put over until Monday. We had some discussion about it which possibly led to that conclusion.

My idea was that if we could finish the bill tomorrow and get it to third reading, there would be some absentees, undoubtedly, on both sides of the aisle, and all Senators should be put on notice as to when exactly the final vote will occur, so that they could plan to be here.

That was my only reason for suggesting that the final vote be on Monday. I am not wedded to that idea. If all Senators are ready to have the final vote tomorrow, if we reach the final vote in the normal course of things, it would be satisfactory to me to have the final vote tomorrow.

Mr. BAKER. Mr. President, it would suit me to have final passage tomorrow.

I suppose the best way to go, then, is just to play it by ear.

I withdraw any suggestion that we would wait until Monday to have final passage, and I suggest, instead, that we do the best we can tomorrow, Friday, that we get to final passage if we can, or that we get to third reading if we can, or get as far as we can.

Mr. LONG. Mr. President, will the Senator yield?

Mr. METZENBAUM. Mr. President, will the majority leader yield for a question?

Mr. BAKER. Let me first yield to the Senator from Louisiana and then I will yield to the Senator from Ohio.

Mr. LONG. Mr. President, the thought occurs to the Senator from Louisiana that we might be able to

achieve the majority leader's objective if between the majority leader and the minority leader and others here we can arrange some live pairs for some absent Senators. I personally am willing to pair with anyone who is absent, provided those on the other side of an issue are doing likewise.

It may be in order to get this job done that we could accommodate one another by pairing some of our absentees who incidentally have been coming to me and urging that we postpone the matter so they can be here.

Every Senator has a different schedule, and I have avoided trying to promise Senators that I was going to hold this matter up for them because when you try to accommodate one Senator who cannot be here Friday afternoon, the next Senator cannot be here Monday, and another Senator cannot be here Tuesday, and so it goes. So, I have not been promising anyone.

If it can be done, I would like to accommodate Senators who very much want to vote and who may be necessarily absent on that occasion.

Maybe the majority leader can help me work it out so I can try to find some pairs over here and give one myself, and maybe he could find someone on the other side to help pair.

Mr. BAKER. Mr. President, I also will give a pair, I say to my friend from Louisiana.

I think his suggestion is an excellent one. I shall work with him and the minority leader to see if that will expedite the passage of the measure.

Mr. President, I yield now to the Senator from Ohio.

Mr. METZENBAUM. Mr. President, will the majority leader be good enough to clarify what was a little confusing to the Senator from Ohio? I understood the other day that he had indicated that if we were able to bring the social security matter and the jobs bill to a conclusion by the end of this week the majority leader would look very favorably upon sending all of us out to meet with our constituents and bringing us back only for the purpose of acting on the conference report when it was ready to be acted upon.

Mr. BAKER. I think we are saying about the same thing.

Mr. President, if we finish these bills, and I think we are going to, or I hope we are going to, the only thing remaining are the conference reports. It may be that Senators do not need to be here while those conference reports are in progress except the conferees. That is a matter we should examine when we get closer to the event.

I guess what I should say to the Senator is somewhat what I have already said to the minority leader and that is that other than the conference reports I have no other must legislation to deal with between now and the time we go out for the Easter recess.

Mr. METZENBAUM. I appreciate the comments of the majority leader.

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Mr. PRESSLER. Mr. President, will be Senator yield?

Mr. MITCHELL. Mr. President, will the majority leader yield for a question?

Mr. BAKER. May I yield first to the Senator from South Dakota and then to the Senator from Maine.

Mr. PRESSLER. Mr. President, I suggest that we work late tonight and get final passage tomorrow and come back Wednesday or Thursday for 1 day and do the conference reports and then those of us who go home could stay at home until Wednesday and make just one trip back to the city.

Mr. BAKER. I thank the Senator. It is not a bad idea. I sort of like it. But I think it also points up one other fact and that was the observation made by the Senator from Louisiana, that everyone has his own schedule. I admire and respect that, and I assure the Senator from South Dakota that I will explore that possibility, trying to arrive at the most convenient arrangement for the Senate in that respect.

I must say it is sort of like my wife finding things on the church calendar. We have not earned this money yet. We have not passed this bill yet. We have to do that before we have the high-class problem of deciding how we arrange the business while we wait for the conference report.

I now yield to the Senator from Maine.

Mr. MITCHELL. Mr. President, recognizing the demands on everyone, everyone wishes to leave sometime late tomorrow. Could we not begin at 9 instead of 10? It seems to me if we start early we will finish early and accommodate Senators who have planes to catch.

Mr. DOLE. Mr. President will the majority leader yield?

Mr. BAKER. I yield.

Mr. DOLE. Mr. President, the reason is no one will show up at 9. We were here this morning at 9:30 and could not find anyone to do business with.

What we might do is lay down an amendment that we could take up. We could have something pending and have everyone on notice for a vote.

Mr. MITCHELL. If the Senate were to schedule a vote after 9 I guarantee there will be Senators here.

Mr. DOLE. I would be happy to start at 9. I think that is about the time I will get back from Savannah.

Mr. BAKER. I thank the Senator for his suggestion. Let me explore that as well if I may.

Mr. President, there is time for one more vote. I hope we can get on with it.

I yield the floor.

The PRESIDING OFFICER (Mr. GORTON). The Senator from Kansas is recognized.

Mr. DOLE. Mr. President, I suggest that we do not have that many amendments and there are a number of them that we hope we can accommodate Senators on. There is one long amendment offered by the distinguished

Senator from Louisiana that may be somewhat troublesome, and we have the Presiding Officer who has an amendment which we can agree upon.

I understand now that the Senator from Idaho has an amendment which we will have a rollcall vote on and hopefully dispose of it.

Is that correct?

Mr. SYMMS. Mr. President, the Senator is correct.

However, the amendment I shall proposed, and I tell the chairman it is not on withholding on savings, so he can sigh relief there, is not the amendment that the distinguished chairman is speaking of. It is the amendment that affects the COLA stabilizer, and it is an amendment that I think does have considerable merit. I wish to offer that amendment at this time.

The PRESIDING OFFICER. The Chair must announce that an amendment of the Senator from New Jersey is pending.

Mr. DOLE. Mr. President, I ask unanimous consent that that amendment be temporarily laid aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Idaho.

UP AMENDMENT NO. 82

(Purpose: To provide that the cost-of-living adjustment stabilizer shall apply to adjustments made in 1983 and thereafter.)

Mr. SYMMS. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Idaho (Mr. SYMMS) proposes unprinted amendment numbered 82.

Mr. SYMMS. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 90, line 23, strike out "1988" and insert in lieu thereof "1983".

On page 94, line 19, strike out "1988" and insert in lieu thereof "1983".

Mr. SYMMS. Mr. President, the amendment I offer is to change the effective date of the so-called stabilizer from January 1, 1988 to January 1, 1983.

In the bill that is currently being considered by the Senate today, there is a provision which will automatically adjust the cost-of-living increases when the trust fund ratio falls below 20 percent, effective in 1988. This provision was also one of the recommendations made by the President's Commission on Social Security Reform.

Specifically, beginning in 1988, if the OASDI trust fund ratio—reserves as a percentage of outgo—as of the beginning of the year is less than 20 percent, the adjustment of OASDI benefits would be based on the lower of the increase in the CPI or average wages. Subsequently, when the balance in the trust funds has risen to at least 32 percent of estimated annual outlays,

catchup payments would be made during the following year, but only to the extent that sufficient funds are available over those needed to maintain a fund ratio of 32 percent. Catchup payments would supplement monthly benefits otherwise payable to make up for any COLA losses that result from basing the adjustment on wages rather than prices.

My amendment would not apply to the COLA for the supplemental security income (SSI) program because those senior citizens who are receiving SSI benefits are truly the senior citizens who are most in need. I believe that we should make every effort to protect those seniors who are at that income level. So, they would be held harmless.

There are several reasons why I believe we should adopt this amendment. First, and foremost, if the Commission thought that the COLA stabilizer was a good idea for 1988, why not implement the COLA stabilizer in 1983 and help bring the outflow and the income to the social security trust funds back in balance.

Second, and perhaps more importantly, I believe we should make every effort to insure the wage earners in our economy that the retirees will not receive a larger cost-of-living adjustment in their retirement benefits than the wage earners are getting in their paychecks, if the OASDI trust fund is insolvent.

Mr. President, keeping the COLA increase indexed to the CPI until 1988, in my opinion, strikes at the very issue of fairness. Flaws in the CPI create an issue of fairness when it comes to evaluating the automatic Federal COLA. Erosion in the value of entitlement benefits from inflation is rightly decried by our Government—even though the Government is the primary reason we have inflation. However, it is not fair to overcompensate recipients for inflation under the inflation protection rationale for which COLA's were designed.

Virtually all experts are in agreement that the CPI has not been an accurate gauge of inflation in recent years. It has overstated increases in the cost of living for people who already own their homes, who act rationally to conserve energy when energy prices rise, and who pay attention to price swings in the supermarket in choosing what to buy week-to-week.

My amendment would simply bring the wage earners—those paying for social security retirement benefits at the current time—and the retiree—those receiving social security benefits—in line with one another as long as the OASDI trust fund is in imbalance.

Continuing to compensate recipients of Federal entitlements more generously for inflation than the average American is a striking inequity in the present indexing practices in the Federal Government. The full CPI entitle-

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ment COLA is not only responsible for recent budget uncontrollability and destabilization of the OASDI trust fund.

More basically, it is unfair to the taxpayers, whose incomes are not fully insulated against increases in the CPI.

I might just mention at this point, Mr. President, that recently when I was visiting my home State of Idaho, I sat down and met with the manager of a small wholesale fuel jobbing company where they employ 80 people in the Boise Valley.

The employees of that company voted voluntarily to take a 10-percent cut in pay, from the president of the company, the general manager, on down to the cleanup crew in order to avoid having any layoffs at the firm.

I believe that to ask those people to continue to have to pay for COLA's based on the CPI instead of the wage index strikes at the question of equity. I think the Commission recognized that, the committee recognized that, and I praise the committee for recognizing it. But we should implement the provision now instead of 1988.

I think we will find that our constituents will support us if we do what is right for the American economy and what is right for the social security fund. I hope we will accept this amendment.

The investigation of why benefit growth has exceeded wage growth since 1977 has focused on poor productivity performance and the recession. Yet, there were 5 million more Americans employed at the end of 1982 than at the end of 1977, and productivity growth has been falling for more than a decade.

The most important reason for the current short-term solvency problem in social security is the different indexing practices followed by the Government and the private sector in the face of rapid inflation from 1978-81.

When automatic indexing was implemented for social security, the belief was that it would hold down benefit growth. Ad hoc benefit increases for social security from 1968 through 1972 were substantially greater than increases in the CPI. Unfortunately, when that legislation for a full automatic COLA passed in 1972, nobody was predicting double-digit increases in the CPI.

The primary reason the 1977 reform for social security failed under conditions of rapid inflation was because social security COLA's are fixed at the full increase in the CPI, whereas indexation of wages in the private sector is considerably less than 100 percent of the CPI. As represented by data on automatic COLA's in major collective bargaining agreements, the degree of private sector indexation varies over time between 50 percent and 70 percent of increases in the CPI. On average, automatic COLA's in the private sector recover 60 percent of increases in the CPI.

It is this difference in indexing, along with low productivity growth and recession, that explains the recent phenomenon of benefit growth outpacing wage growth noted by social security actuaries.

The full CPI COLA is also the primary reason why growth in other entitlement benefits created a situation of budget uncontrollability from 1978 through 1982.

Compensating recipients of Federal entitlements more generously for inflation than the average American is a striking inequity in the present indexing practices of the Federal Government. The full CPI entitlement COLA is not only responsible for recent budget uncontrollability and destabilization of the OASDI trust fund. More basically, it is unfair to the taxpayers whose incomes are not fully insulated against increases in the CPI.

I want to make clear that the amendment I am now offering does not compensate the wage earners for the taxes they are paying and have paid for overcompensating the retirees in the last few years. My amendment simply guards against overcompensating the retirees in the future, beginning in 1983, should the OASDI trust fund balance not be at a sufficiently solvent level.

In other words, if it is sufficiently solvent it would not be triggered, but if it is not sufficiently solvent it would be triggered.

In addition, my amendment also has a provision to protect the retirees in the event that the trust fund reserves reach a 32-percent level, the retirees will get compensated for their previously reduced benefits as long as the trust fund reserves remain at 32 percent.

The general effect of my amendment will be to reduce the COLA's in the near term to about the increases that wage earners will be having their paychecks increased while the trust fund balance is building up. Then, over the longer term senior citizens will be getting the full COLA as long as the trust fund reserves are at 32 percent—even though I personally believe we should review this as a matter of equity in the future.

Now, many of you might think that this amendment is somehow unfair to the senior citizens—although I fail to see why. Nevertheless, I do want to address this popular misconception, which I believe is based on the common perception that the economic status of the elderly is based on conditions that prevailed in 1950, not those in 1982.

They do have time to organize into effective political blocks and to finance organizations which protect and enhance what has become their major source of retirement income—Federal transfer payments. One-third of the Federal budget is now devoted to benefit payments for the elderly.

In 1959, 35 percent of America's elderly were below the poverty thresh-

old. The image of elderly widows subsisting on canned dog food was a national disgrace. Amendments to the social security system which increased benefits across the board had been sporadic. No benefit increases were forthcoming in the first 10 years of the system. In 1950, benefits were increased 77 percent, but this barely compensated for CPI inflation between 1940 and 1950. Further benefit hikes of 12%, 13, and 7 percent INF 1952, 1954, and 1959, respectively did outpace inflation during the 1950's. Yet the incidence of poverty among the population aged 65 and over was still 13 percent greater than among the general population at the start of the 1960's, and the next general benefit increase was not enacted until 1965. Even that amendment did not match the rise in inflation during the intervening 8-year period.

During the next decade, the economic status of the elderly changed dramatically. In 1965, medicare was established, and between 1968 and 1974, five double-digit increases in social security benefits were legislated by Congress. These five benefit increases in total were 22 percent greater than inflation during that period. Along with the development of several in-kind benefits programs for the elderly legislated in the 1970's, automatic indexing to the CPI established annual benefit increases for OASDI payments starting in 1975. In the past 5 years, those COLA's have further increased social security benefits by almost 50 percent.

The trend of entitlement growth for the elderly and increases in payroll taxes to finance part of this benefit liberalization have led to a progressive redistribution of income from young to old on a per capita basis. One effect of this redistribution policy has been a reversal in the incidence of poverty between the young and old.

Clearly, there are a variety of forces at work in the changing incidence of poverty. The most dramatic change is not the reversal of incidence between generations, but the absolute decline in poverty among all age groups since 1959. Still, a growing lack of intergenerational equity in programs to relieve poverty appears to characterize the dynamics of current entitlement laws.

An element of fairness in a permanent program like social security should be some degree of equity in benefits across generations. Overtaxing the son to pay the father violates equity in the social compact between generations that is really at the heart and soul of social security.

It appears to me that it is foolish for Congress to allow a system to continue where the wage earner is not keeping up with the recipient of benefits because the formula is out of balance. That system allows for a division to grow among the generations in America. There is absolutely no reason for Congress to stand idly by and not do something about the fact that the

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younger generation will start resenting the percentage of the payroll tax they must pay to support the older generation.

It is unfair to both generations and it is not good for the future of the country.

The tax rates and tax payments for social security have grown tremendously over the years. And, most of the tax increases have come from increasing the maximum amount of income taxed, not increasing the tax rate. On an after tax basis, the often-noted inequity between recent benefit growth and wage increases is even greater than before taxes.

It is clear that today's retiree can expect a much better deal from social security than a person 37 years old now paying for that person's benefits. Indeed, today's 65-year-old will be getting a 200 percent better deal than today's 37-year-old, and a 225 percent better deal than a 1982 college graduate just entering the work force.

My amendment makes a slight attempt in trying to adjust the inequities in the current system and I urge my colleagues to join me in the amendment.

I hope that the committee and the Members of the Senate will give this careful consideration before rejecting it out of hand. I think the chairman understands this as well as anybody in the U.S. Senate. The problem is that we have been on a track where if you chart the growth of the payments to the recipient we see that they have had increases of up to 227 percent in the last 10 years while the wage index has only gone up 121 percent and it has the entire system out of balance.

I might say again there would be no reduction in any benefits that anybody is now receiving, only a difference in the formula, if the total of the trust fund balance is below 20 percent.

I thank the chairman for his consideration.

Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. DOLE. Mr. President, I appreciate the discussion of the Senator from Idaho. I do not want to shut off debate, but the Senator from Kansas is going to have to leave here very quickly.

I would just say we had a similar amendment offered in the committee which was defeated by a vote of 5 to 11. I do not quarrel with anything the Senator from Idaho has said. However, by making the COLA stabilizer in the committee bill effective in 1984 rather than 1988, which was recommended by the National Commission, it might be viewed as a change that would violate the intent of the compromise.

Mr. SYMMS. Mr. President, may we have order so we may hear the chairman?

The PRESIDING OFFICER. The point is well taken. The Senate will be in order.

Mr. DOLE. The National Commission consensus package included a provision which is in the committee bill that would allow indexing by the lower of the increase in wages or prices if trust fund reserves fall below 20 percent. Catch-up payments would be provided when reserves rise above 32 percent. The provision is effective in 1988.

What the amendment of the distinguished Senator from Idaho would do would be to modify the effective date of the provision. In so doing, the amendment would alter an essential feature of the consensus package.

On that basis—it is not that the Senator from Kansas does not believe the amendment does not have merit—it would seem to me to be contrary to the provisions in the Commission report. For that reason, I would have to oppose the amendment.

Mr. GRASSLEY. Will the Senator from Kansas yield?

Mr. DOLE. Yes.

Mr. GRASSLEY. Mr. President, I would only raise one point in support of the amendment. I am going to vote for it. I think what is good in 1988 ought to be even better now.

But will the Senator from Kansas admit that one of the really uncertain things about the package—and perhaps the only uncertain thing about the package—is whether or not we will get by the next 2 or 3 years?

Mr. DOLE. That is correct.

Mr. GRASSLEY. This seems to me as though it would add a little more soundness to the system. If we have a revitalization in the economy, as we hope we will, then there is no doubt about getting by the next 2 or 3 years. But there is still some doubt whether or not we will have the improvement in the economy that we all hope for. To the extent which there is that doubt, then the amendment by the Senator from Idaho will make more certain that social security will remain solvent over the next 2 or 3 years. If we can get by those years which are probably the most questionable, we can answer with certainty that solvency is no longer doubtful for the short term.

Mr. DOLE. Mr. President, let me say that we have, in addition to this proposal, the so-called stabilizer, we did adopt in the committee the amendment of the distinguished Senator from Louisiana, Senator Long. That provision provides for a COLA "fail-safe" mechanism. In addition, we have the "normalization" amendment. Given each of these provisions, we believe—again, based on the advice of actuarial experts—that we are going to survive those years. As I understand it, it is going to be close, although some would say we are going to have a big surplus.

Mr. President, I would like to come to a vote on this.

Mr. SYMMS. Mr. President, if the chairman would yield, I would say one more thing. I thank the Senator from Iowa for bringing that point up. The effect of this amendment would be that we would probably be on the wage index immediately which is nothing more than you are asking of wage earners. I will bet the farm on the fact that if we would adopt an amendment like this we will restore the long-term capital markets in this country and help get people back to work in our respective States. It will not in any way affect those people on SSI benefits. They are held harmless in the amendment. So the neediest and the poorest of the senior citizen recipients are protected, as I and everyone in this Chamber think they should be.

What it would do is give the confidence to the country that the Congress really is doing the right thing. It will not take any present benefits away from any recipient. They would still get an increase, but it would not be quite as much of an increase as they would have otherwise received.

I do not want to have any Member misunderstand that. I think the amendment would reduce the pressure for another tax increase on the social security system and will reduce the necessity of continually increasing the payroll taxes at the present time. I think it is an amendment the Senate would do well to adopt and accept. If the conference somehow came back and said, "OK, we will go to 1986," that would be some help instead of 1988. I would urge the committee to take this amendment.

Mr. DOLE. Mr. President, let me say in conclusion that I think I started off in our Commission deliberations about where the Senator from Idaho is now. I argued for 1985 rather than 1988. But we could not reach any consensus. Finally, along with about 15 or 20 other items, we had to make a judgment; 1988 may not be early enough—for those of us who believe it should be earlier—but that is the earliest date we could have. I do not quarrel with anything the Senator said, but I would hope that the amendment would not be adopted.

Mr. SYMMS. Mr. President, I ask unanimous consent that the Senator from Oklahoma (Mr. NICKLES) be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MATHIAS. Vote.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment of the Senator from Idaho (Mr. SYMMS). The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Arkansas (Mr. BUMPERS), the Senator from Colorado (Mr. HART), and the Senator from South

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Carolina (Mr. HOLLINGS), are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 25, nays 72, as follows:

[Rollcall Vote No. 31 Leg.]

YEAS—25

Andrews	Hatch	Nunn
Armstrong	Helms	Quayle
Boren	Humphrey	Rudman
Boschwitz	Jepson	Stump
Denton	Laxalt	Symms
East	Mattlingly	Wallace
Garn	McClure	Wilson
Goldwater	Mitchell	
Grassley	Nickles	

NAYS—72

Abdnor	Ford	Moynihan
Baker	Glenn	Murkowski
Baucus	Gorton	Packwood
Bentsen	Hatfield	Pell
Biden	Hawkins	Percy
Bingaman	Hecht	Pressler
Bradley	Heflin	Proxmire
Burdick	Helms	Pryor
Byrd	Huddleston	Randolph
Chafee	Inouye	Riegle
Chiles	Jackson	Roche
Cochran	Johnston	Sabates
Cohen	Kassebaum	Sasser
Cranston	Kasten	Specter
D'Amato	Kennedy	Stafford
Danforth	Lautenberg	Stennis
DeConcini	Leahy	Stevens
Dixon	Levin	Thurmond
Dodd	Long	Tower
Dole	Lugar	Trible
Domenech	Mathias	Twomas
Durenberger	Matsunaga	Warner
Eagleton	Meeker	Weicker
Exon	Mohr	Zorinsky

NOT VOTING—3

Bumpers	Hart	Hollings
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So the Symms amendment (UP No. 82) was rejected.

Mr. BAKER addressed the Chair.

The PRESIDING OFFICER. The majority leader.

Mr. BAKER. Mr. President, as I indicated earlier, I hoped that we could get one more amendment out of the way, one rollcall vote. We have done that, and there will be no more rollcall votes today. The Senate will come in at 10 tomorrow. We anticipate early votes tomorrow. Senators should anticipate that by 10:30, perhaps, we will have an opportunity to vote on another amendment. I reiterate, I would like to see us get as far as we can tomorrow, perhaps even to third reading, maybe final passage but, anyway, to do the best we can.

Tomorrow will be an active day. There will be a number of votes, I predict, and I would urge Senators to be here and to participate, as I am sure they will.

Now, Mr. President, could I inquire of the distinguished manager of the bill if there is anything further that can be done this evening because, otherwise, I intend to make a provision for a brief period for the transaction of routine morning business and then we have a number of special orders that had been anticipated for this morning that I am going to provide time for now if there is no objection. Could I inquire of the manager if he is prepared to go off the bill?

Mr. HEINZ. If the leader will yield, I am advised that there are two amendments. I am further advised that they are not controversial and that no rollcall votes would be required on them.

Mr. BAKER. Very well. Does the manager want to go forward with them at this time?

Mr. HEINZ. Yes, Mr. President.

Mr. STENNIS. Mr. President, will the Senator yield? He used the term special orders. Does that mean special orders as a part of the bill?

Mr. BAKER. No, no, Mr. President. May I say that some Senators had requested time this morning to speak on an unrelated subject, and I had asked them to forebear until the end of the day to do that instead of the beginning.

Mr. STENNIS. I thank the Senator.

Mr. LONG. Will the Senator yield?

Mr. BAKER. Yes, I yield to the distinguished ranking minority member of the Finance Committee.

Mr. LONG. Mr. President, I ask unanimous consent that the following Senators be added as cosponsors to my amendment No. 512: Messrs. Donn and Ford.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question recurs on the Bradley amendment.

Mr. BAKER. Mr. President, is there another amendment that the Senator wishes to take up?

Mr. HEINZ. Mr. Leader, we have a Kassebaum amendment and a Nickles amendment.

Mr. BAKER. Both of which will be accepted, do I understand, or disposed of by voice vote?

Mr. HEINZ. Let me say to the majority leader that I know of at least one and possibly two amendments that we can take up now. I am certain we can take up and pass the Kassebaum amendment without a record vote. If, on the basis of further discussion, it appears we cannot take up the Nickles amendment and pass it without a recorded vote, I would not proceed to do so.

Mr. BAKER. Very well. But the Senator is prepared now to proceed to the Kassebaum amendment?

Mr. HEINZ. Yes, Mr. Leader.

Mr. BAKER. Mr. President, I ask unanimous consent that the Bradley amendment be laid aside temporarily and that the Senate proceed to the consideration of the Kassebaum amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 83

Mrs. KASSEBAUM. I thank the Senator from Pennsylvania. Mr. President, I send to the desk my amendment to H.R. 1900 and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Kansas (Mrs. KASSEBAUM), for herself and Mr. HATFIELD, pro-

poses an unprinted amendment numbered 83.

Mrs. KASSEBAUM. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 96, line 12, delete "2009" and insert in lieu thereof "1995".

On page 96, line 22, delete "1/48" and insert in lieu thereof "5/72".

On page 96, line 24, delete "2008" and insert in lieu thereof "1994".

On page 97, delete lines 1 through 3 and insert the following:

(c)(1) Paragraph (3)(A) of section 202(w) of such Act is amended by striking out "and prior to the month in which such individual attained age 72".

(c)(2) Paragraph (3) of section 202(w) is amended by striking out the material that follows the semicolon.

On page 97, line 4, delete "(2)" and insert in lieu thereof "(3)".

Mrs. KASSEBAUM. Mr. President, the amendment I am offering has been agreed to by the chairman of the Finance Committee, and I appreciate being able to bring it up at this time and getting it taken care of. It is designed to enhance the work incentives incorporated into S. 1 by coordinating an increase in the delayed retirement credit with the phaseout of the outside earnings limitation.

The chairman of the Finance Committee, the senior Senator from Kansas (Mr. Dole), has been a strong advocate of addressing the outside earnings limitation issue, and I salute him for these efforts.

S. 1 would gradually increase the delayed retirement credit to 8 percent per year over the period between 1990 and 2010. My amendment would accelerate this increase so that the 8 percent annual credit would take effect in 1995, the year in which the limit on outside earnings would be totally lifted. In addition, this amendment would permit an individual to receive the delayed retirement credit for every month after age 65 in which receipt of benefits is deferred. At this time, the delayed retirement credit is not made available for benefits deferred after age 72. The Office of the Social Security Actuary has estimated that adoption of this amendment would result in negligible additional cost to the package.

Currently, a worker who does not receive social security benefits until after age 65 is eligible for a delayed retirement credit. The benefit amount is increased for each month after age 65 and prior to age 72 during which benefits are not received. This increase occurs at a rate of 3 percent each year. Although current law rewards delayed retirement, the 3-percent credit is inadequate from an actuarial standpoint. The actuarially fair level is 8 percent, which would be attained by the year 2010 under the measure reported by the Finance Committee.

The current Social Security Act also provides for a \$1 reduction in benefits for each \$2 earned over certain exempt amounts by beneficiaries under the age 70. This year, the annual exempt amount of earned income is \$6,600 for individuals age 65 and older. The outside earnings limitation, which has long been criticized as a disincentive for longer work lives, would be phased out between 1990 and 1994 under S. 1. For individuals age 65 and older, the exempt amount would be increased by \$3,000 per year beginning in 1990. In 1995, the earnings limitation would be completely eliminated.

The purpose of my amendment is to have these two reforms work in tandem. Consider the situation of an individual reaching age 65 in 1995. He or she will have the option of beginning to receive full social security benefits regardless of the amount of earned income expected in that year. By delaying receipt of benefits for 1 year, the potential recipient would be eligible for a delayed retirement credit of 4½ percent. Under my amendment, the choice would be between immediate receipt of benefits or delayed retirement with an 8 percent credit.

In my view, the prospect of receiving the actuarially fair 8 percent credit offers a much more compelling case for delaying receipt of benefits. This is particularly true when the benefit taxation features of S. 1 are taken into consideration. The decision to delay retirement would be a form of savings for the older worker, with the 8 percent credit representing interest on the deferred social security income. In many cases, while earning interest on their deferred social security check, they will be able at the same time to defer receipt of their taxable social security income until they are fully retired and in a lower tax bracket.

Provision of my amendment which remove the upper age limit on provision of the delayed retirement credit simply allow the repeal of the outside earnings limit and the increased delayed retirement credit to continue working together for all age groups. Although relative few individuals would probably defer receipt of benefits after age 70 or 72, those who do consider such an option should be able to take advantage of the same incentives provided to others who continue work after age 65.

The features of S. 1 described above, coupled with provisions of the bill which gradually increase the normal retirement age beginning at the turn of the century, demonstrate considerable congressional support for extending work lives. I commend Senator DOLE and other members of the Senate Finance Committee for their initiative in this area, which I feel is an extremely positive emphasis. Older workers do make significant contributions to our society. As life expectancies increase and the number of younger workers decline, we will be placing

increasing reliance on the skills and experience of our older population. In addition to the sense of well-being which accompanies continued productivity on the part of older workers, prolonged work lives also boost the economy as a whole through the availability of additional tax revenues.

Obviously, it is difficult to pinpoint the total effect of these incentives on work behavior. However, a study conducted by the Urban Institute in 1978, entitled "The Aging of America: A Portrait of the Elderly in 1990," suggests that the results will be positive. This study assumed several changes in the social security benefit structure, including an increase from 3 to 5 percent in the delayed retirement credit and a liberalization of the outside earning limit. The study concluded that costs and tax rates of the social security program would be lower than would otherwise be the case. Moreover, projected income levels of the elderly would increase by 12 to 38 percent due to increased work effort. The report notes:

The major conclusion of this study is that it may be possible to reduce the tax burden on the working population and increase the income going to the elderly, through changes in the retirement incentive structure to delay retirement.

Believing that we should actively encourage individuals to work longer, I am attempting today to bring better coordination to the efforts already underway in this area. This amendment is supported by the American Association of Retired Persons—a group long committed to eliminating work disincentives to older persons—and I urge its adoption by the Senate.

I thank the Senator from Pennsylvania for yielding to me.

Mr. HEINZ. Mr. President, I have examined the Kassebaum amendment, and I compliment the Senator from Kansas on offering it. It is indeed an improvement on what is in the Senate bill. It will accelerate the delayed retirement credit by a considerable amount.

It is also my understanding, after checking with the actuaries, that it is revenue neutral. Anything we can do to give people a worthwhile incentive to continue their active working career is an incentive.

On this side, we are happy to accept the amendment. Perhaps the minority manager would concur in so doing. I know of no objection to this amendment.

Mr. MOYNIHAN. Mr. President, I wish to reinforce the statements of the Senator from Pennsylvania.

This is an improvement to the proposal. It is attractive, and it approaches that happy condition called pareto optimality, where everyone gains and no one loses. Only the Senator from Kansas can think of things like that. It continues to amaze and delight us and adds to the proceedings in this body.

Mrs. KASSEBAUM. I say to the Senator from New York that I appreciate his very kind remarks. I had a lot of help in thinking of this amendment.

The PRESIDING OFFICER. Is there further debate?

Mr. LONG. Mr. President, the amendment is acceptable to this side.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (UP No. 83) was agreed to.

Mr. HEINZ. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. MOYNIHAN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HEINZ. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. DENTON). The clerk will call the roll.

The acting assistant legislative clerk proceeded to call the roll.

Mr. SYMMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SYMMS. Mr. President, I ask unanimous consent that the Bradley amendment be temporarily laid aside.

Mr. HEINZ. For what purpose shall it be temporarily laid aside?

Mr. SYMMS. For the purpose of laying down an amendment that we can work on in the morning.

The PRESIDING OFFICER (Mrs. HAWKINS). Without objection, it is so ordered.

UP AMENDMENT NO. 84

(Subsequently numbered amendment No. 525.)

(Purpose: To provide that no social security cost-of-living adjustments be made in 1983 and 1984.)

Mr. SYMMS. Madam President, I send an amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Idaho (Mr. SYMMS) proposes an unprinted amendment numbered 84.

AMENDMENT NO. 502

At the appropriate place in the bill, insert the following new section:

1-YEAR FREEZE ON COST-OF-LIVING ADJUSTMENTS

SEC. . Section 215(d) of the Social Security Act is amended by adding at the end thereof the following new paragraph:

"(7)(A) Notwithstanding any other provision of this subsection, no increase shall be made under paragraph (2) in any benefit amount, primary insurance amount, or amount of monthly benefits based on any primary insurance amount for any cost-of-living computation quarter occurring during calendar year 1983.

"(B) For purposes of determining the extent to which the Consumer Price Index for the base quarter occurring in 1984 exceeds such index for the most recent prior cost-of-living computation quarter, the base

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quarter occurring in 1983 shall be treated as the most recent prior cost-of-living computation quarter."

Mr. SYMMS. Madam President, the amendment I propose tonight and will discuss tomorrow for those Senators who are in their office would move the COLA for the next social security COLA for 1 year, a 1-year COLA freeze, to put the social security recipients on the same basis that we are putting retired military, veterans, and civil service pensioners, and I think it is only fair and equitable. So it would change the COLA 1 year. Instead of December 1983 it would be moved over to the same time commensurate with what is proposed by the administration with respect to those other people.

Mr. BAKER. Madam President, I understand that this is the amendment that we will take up tomorrow and that Members do not wish to debate it further tonight.

I gather from the acknowledgement of the manager and the distinguished minority manager that that is the case.

Mr. HEINZ. Madam President, if the majority leader will yield, that is correct.

Mr. BAKER. I thank the Senator.

ROUTINE MORNING BUSINESS

Mr. BAKER. Madam President, I ask unanimous consent that there now be a period for the transaction of routine morning business to extend not past the hour of 6 p.m. today in which Senators may speak.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MOYNIHAN addressed the Chair.

Mr. BAKER. Madam President, before the Senator speaks, may I say during this period it is my expectation that the Senator from Alabama will wish to speak about 20 minutes. There is no limitation on the amount of time that Senators may speak.

I see the Senator from New York seeking recognition at this time. If there are other Senators who wish to speak, I urge them to do so because if we can finish before 6 p.m. we will go out before that.

SAINT PATRICK'S DAY STATEMENTS

Mr. MOYNIHAN. Madam President, on this Saint Patrick's Day of 1983 four statements of extraordinary clarity, courage, and conviction have been made here in the Capitol and in Saint Patrick's Cathedral, in New York.

They speak to the issue of violence. They speak to the issue of reconciliation. And they speak to the issue of the constitutional imperative in that nation and on that island.

Madam President, the President of the United States, at the Irish Embassy today, made a truly eloquent, enormously impressive, and encouraging

statement calling on Americans to refrain from contributing to organizations engaged in violence and calling on the United States to play a part, as it can, in the return to the path of peace, as Pope John Paul II has called it, in that nation. He spoke in response to a not less eloquent and convincing statement by the Foreign Minister of Ireland, the Honorable Peter Barry, a Member of the Parliament there.

A large number of U.S. Senators and U.S. Representatives have signed a statement to almost precisely the purpose and intent and import of the President and the foreign minister here in our own body, our own House, and in the other body.

Finally, at Saint Patrick's, the rector of that venerable cathedral, James F. Rigney, gave the homily this morning, speaking as a man of God and as a man of peace, and he called for just exactly those goals we would all share, and he announced the establishment of a fund for peace and justice in Ireland at the cathedral to be used in as many nonviolent ways as possible to reconcile in peace and justice the people of Saint Patrick's adopted land.

I ask unanimous consent, Madam President, that these historically important messages and statements be printed in the Record in order that they may be disseminated through the Nation and reproduced for those who have a special interest in them.

I thank the Chair.

There being no objection, the material was ordered to be printed in the Record, as follows:

THE WHITE HOUSE,
March 17, 1983.

STATEMENT BY THE PRESIDENT

For those of us whose ancestors come from Ireland and for those of us who share the spirit of Irish humor, hard work and spiritual faith, St. Patrick's Day is a time of grateful celebration and much happiness.

Today is a time to honor and celebrate the enormous contribution to American life made by Irish immigrants. As frontiersmen in the American colonies and citizen soldiers in Washington's army they helped found our republic. Their ingenuity and effort built our economy, added to our spiritual values and enriched our literature. Their humor enriches life's happy moments and makes life's setbacks more bearable.

And yet our joy is tempered by the tragedy that divides neighbor from neighbor in Northern Ireland. We deeply regret that some would use this day to enlist support for more violence and conflict on that small island which is so much in our hearts today. We cannot remain indifferent to the tragedy that confronts the people of Northern Ireland and which affects the Republic of Ireland, Britain and their friends in the United States. Those who advocate or engage in violence and terrorism should find no welcome in the United States.

We condemn all such acts and oppose the forces of discord in Northern Ireland, which obstruct the process of reconciliation so essential for peace. We ask all Americans to refrain from supporting, with financial or other aid, organizations involved directly or indirectly in perpetuating violence. And we urge that those Americans—and there are many—who wish to help, lend their support and contributions to legitimate groups and

organizations which work to promote reconciliation and economic cooperation.

The United States Government continues to take specific actions to hasten an end to this violence and discord by:

Discouraging Americans from contributing to organizations engaged in violence.

Arresting and prosecuting those engaged in the illegal export of arms to those groups.

Confiscating weapons intended for terrorists.

Next to peace and reconciliation, Northern Ireland's greatest need is for jobs to bring hope and opportunity to all its people, especially the young. American companies which have invested in Northern Ireland already employ a significant percentage of its industrial work force, making a real contribution to its well-being. This administration will continue to encourage private investment in and the creation of more job opportunities in both Northern Ireland and the Republic.

We recognize that it is not for the United States to chart a course for the people of Northern Ireland, but we do have an obligation to urge our long-time friends in that part of the world to seek reconciliation between the two traditions in Northern Ireland and accommodation through democratic means. Durable, equitable solutions and peace cannot be imposed by outsiders, however well meaning. Our role, accordingly, is to support efforts by the people and governments directly involved.

So on St. Patrick's Day 1983 let us all celebrate our Irish heritage in fine style. But let us also remember those in Northern Ireland for which 1983 is one more year of terrorism and dim economic prospects—and let us rededicate ourselves to helping to bring these twin evils to an end.

STATEMENT MADE AT A RECEPTION TO HONOR THE PRESIDENT OF THE UNITED STATES OF AMERICA, MR. RONALD REAGAN, BY THE FOREIGN MINISTER OF IRELAND, MR. PETER BARRY, T.D., AT THE EMBASSY OF IRELAND, ON ST. PATRICK'S DAY, MARCH 17, 1983

Cead Mille Fálte. You are all most welcome to this house today.

The feast of Saint Patrick is a day which brings all the Irish and all the Friends of Ireland together to exchange greetings and extend the hand of friendship.

It is especially fitting, Mr. President, that in paying us the honor of visiting here today you do so having come with us from a lunch where we were guests of another great Irishman, our friend the Speaker of the House, Tip O'Neill. It is of course no surprise to those in Ireland that two great Irishmen occupy the Houses on both sides of Pennsylvania Avenue. Naturally, we expect no less of the Irish in America.

Not that the Irish boast of having invented politics Mr. President—but at least we have tried to ensure that America should never be wanting in good politicians—and that American politics should never be wanting in good humor. For, if politics is the art of the possible, Mr. President, good humor is what makes good politics possible and keeps debate alive and well. The luncheon you graciously hosted today showed that, I think you'll agree, Mr. Speaker.

It is a particular privilege for me to welcome so many distinguished friends to our Embassy.

Those who carry the names of Irish forebearers (whether Reagan or O'Neill, whether Kennedy or Foley, whether Moynihan or Dodd, whether Carey or Shanahan and many more).